



Shire of  
Serpentine  
Jarrahdale

# Special Council Meeting Agenda

**7:00pm**

**Wednesday, 28 July 2021**

**Purpose:** Consideration of the following reports:

- 1) Consideration of Submissions – 2021/22 Differential General Rates and Minimum Payments and Draft Rating Strategy.
- 2) 2021/2022 Budget.
- 3) Long Term Financial Plan 2021-31 and Corporate Business Plan 2021-25.

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## Contact Us

### Enquiries

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### In Person

Shire of Serpentine Jarrahdale  
6 Paterson Street, Mundijong WA 6123  
Open Monday to Friday 8.30am-5pm (closed public holidays)



[www.sjshire.wa.gov.au](http://www.sjshire.wa.gov.au)



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The purpose of this Special Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the *Local Government Act 1995* (Section 5.25(1)(e)) and *Council's Standing Orders Local Law 2002 (as amended)* – Part 14, Implementing Decisions. No person should rely on the resolutions made by Council until formal advice of the Council resolution is received by that person.

The Shire of Serpentine Jarrahdale expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.



### Councillor Attendance Register

In accordance with Ordinary Council Meeting, 16 December 2019, Resolution OCM293/12/19, clause 5 – “That Council requests the Chief Executive Officer maintain a Councillor Attendance Register recording Councillor Attendances at Ordinary Council Meetings, Special Council Meetings and Policy Concept Forums”.

#### Council October 2019 -

Date	Type	Cr Rich	Cr Atwell	Cr Byas	Cr Coales	Cr Dagostino	Cr Denholm	Cr McConkey	Cr Strange	Cr Strautins
19/07/21	OCM	✓	✓	✓	A	✓	✓	✓	✓	✓
05/07/21	PCF	✓	✓	A	✓	✓	✓	✓	✓	✓
28/06/21	PCF	✓	✓	✓	✓	✓	✓	A	✓	✓
21/06/21	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
31/05/21	PCF	✓	✓	✓	A	✓	✓	✓	✓	✓
24/05/21	PCF	✓	✓	✓	✓	A	A	A	✓	✓
17/05/21	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
03/05/21	PCF	✓	✓	✓	✓	A	A	✓	✓	✓
19/04/21	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
29/03/21	SCM	✓	✓	A	A	✓	✓	✓	✓	✓
22/03/21	PCF	✓	✓	✓	✓	A	✓	A	✓	✓
15/03/21	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
22/02/21	SCM	✓	✓	✓	✓	A	✓	A	✓	✓
15/02/21	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
14/12/20	OCM	✓	✓	✓	✓	A	✓	✓	✓	✓
14/12/20	SCM	✓	✓	✓	✓	A	✓	A	✓	✓
30/11/20	PCF	✓	✓	✓	A	✓	✓	✓	✓	✓
23/11/20	SCM	✓	✓	✓	✓	A	✓	✓	✓	✓
23/11/20	PCF	✓	✓	✓	✓	A	✓	A	✓	✓
16/11/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
02/11/20	PCF	A	✓	✓	✓	A	✓	✓	✓	✓
05/10/20	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/09/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓



07/09/20	PCF	✓	✓	✓	✓	✓	✓	A	✓	✓
24/08/20	PCF	✓	✓	✓	✓	A	A	✓	A	✓
17/08/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
03/08/20	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
27/07/20	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/07/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	A
06/07/20	PCF	✓	✓	✓	✓	A	✓	✓	✓	✓
22/06/20	SCM	✓	✓	✓	✓	✓*	✓	✓	✓	✓
15/06/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/05/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
23/03/20	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
16/03/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
24/02/20	PCF	✓	✓	✓	A	✓	✓	✓	✓	✓
17/02/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
03/02/20	PCF	✓	A	✓	✓	A	✓	✓	✓	✓
03/02/20	SCM	✓	A	✓	✓	A	✓	✓	✓	✓
16/12/19	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/11/19	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
04/11/19	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
28/10/19	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/10/19	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* Councillor Dagostino was an apology for the Special Council Meeting on 22 June 2020, but attended the resumed Special Council Meeting on 29 June 2020 from 7.00pm to 7.05pm, before Declaring an Interest and leaving the meeting.

**A – Apology**  
**LOA – Leave of Absence**  
**NA – Non Attendance**



Dear Elected Member

A Special Council Meeting of the Shire of Serpentine Jarrahdale will be held on Wednesday, 28 July 2021 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong – commencing at 7:00pm.

Paul Martin

**Chief Executive Officer**

21/07/21

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## Agenda

1. **Attendances and apologies (including leave of absence):**
2. **Public question time:**
  - 2.1 Public questions
3. **Public statement time:**
4. **Petitions and deputations:**
5. **Declaration of Councillors and Officers interest:**



## 6. Receipt of reports:

### 6.1 Reports

<b>6.1.1 – Consideration of Submissions - 2021/22 Differential General Rates and Minimum Payments and Draft Rating Strategy (SJ3595)</b>	
<b>Responsible Officer:</b>	Director Corporate Services
<b>Senior Officer:</b>	Chief Executive Officer
<b>Disclosure of Officers Interest:</b>	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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### Report Purpose

The purpose of this report is to enable Council to consider submissions received in regard to the Rate in the Dollar and Minimum Payments for the Differential Rating categories to be applied for the 2021/2022 Financial Year, along with the Rating Strategy endorsed at the Ordinary Council Meeting on 21 June 2021.

### Relevant Previous Decisions of Council

*Ordinary Council Meeting – 21 June 2021 - OCM153/06/21 - COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

- 1. ENDORSES a total rate yield for 2021/2022 budget purposes, which will derive a proposed \$25,060,988 in net rate revenue, which is a 1.85% increase on current year to date base rate calculations.*
- 2. ENDORSES for the purpose of advertising the following proposed Differential Categories, Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2021/22 rating year.*

<i>Rate Category</i>	<i>Rate in Dollar (Expressed as cents in \$)</i>	<i>Minimum Payment</i>
<i>GRV Residential</i>	<i>0.103321</i>	<i>\$1,276</i>
<i>GRV Commercial / Industrial</i>	<i>0.117763</i>	<i>\$1,434</i>
<i>GRV Vacant</i>	<i>0.189295</i>	<i>\$972</i>
<i>UV General</i>	<i>0.004135</i>	<i>\$1,383</i>
<i>UV – Rural Residential</i>	<i>0.004342</i>	<i>\$1,750</i>
<i>UV – Commercial / Industrial</i>	<i>0.006203</i>	<i>\$1,750</i>
<i>UV Intensive Farmland</i>	<i>0.008270</i>	<i>\$1,750</i>



3. *AUTHORISES the Chief Executive Officer to advertise for public comment, the Differential General Rates and the Minimum Payments Statement of Objects and Reasons in attachment 1, as per the requirements of section 6.36 of the Local Government Act 1995.*
4. *ENDORSES the rating strategy at attachment 2 be advertised for community consultation.*
5. *APPROVES the letter at attachment 3 to be sent to all properties within the Shire.*

## Background

Rate revenue is a substantial source of revenue for the Shire of Serpentine Jarrahdale, accounting for approximately two thirds of operating revenue in the 2021/2022 Budget. The *Local Government Act 1995* (the Act) empowers local governments to impose general rates and minimum payments on rateable land. Local governments can impose either uniform general rates or differential general rates.

Uniform general rates are where a local government sets a single general rate in the dollar for each valuation category (Gross Rental Value (GRV) and Unimproved Value (UV)) being a uniform general rate in the valuation dollar and applied to all properties within a valuation category regardless of their location or land use.

As an alternative to adopting a uniform general rate, a local government may apply different rates in the dollar within each valuation category. A differential rate may be applied using the following characteristics, or combination thereof:

- The zoning of the land;
- The predominant use (as determined by the Local Government);
- If the land is vacant or not; and
- Any characteristics prescribed (currently only relevant to amalgamations).

The intention behind applying differential rates is to take into account the levels of services provided to different types of properties, to reflect the cost of provision of services to those categories or properties as well as the need to encourage specific types of activities within the Shire.

The Shire of Serpentine Jarrahdale has traditionally adopted differential general rates.

The overall objective of a rating model is to provide for the net funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire as outlined in the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan (LTFP) and the Annual Budget, and to fund these requirements in an equitable way.

## Community / Stakeholder Consultation

### Policy Concept Forum - Budget Workshop – Rates, Fees and Charges, LTFP

<b>Meeting Date</b>	3 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr McConkey, Cr Strange, Cr Strautins



Policy Concept Forum - Budget Workshop- Capital and Corporate Business Plan

<b>Meeting Date</b>	24 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr Strange

Policy Concept Forum - Budget Workshop - Operating

<b>Meeting Date</b>	31 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Dagostino, Cr Denholm, Cr McConkey, Cr Strange, Cr Strautins

Budget Workshop – Operating (Continued)

<b>Meeting Date</b>	3 June 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Dagostino, Cr Strange

Community Consultation - Notice of rates and invitation to submit

In addition to the above, the Shire is required to, in accordance with Section 6.36 of the *Local Government Act 1995*, give notice of certain rates and invite submissions for a period of 21 days or such longer period. The Shire gave Local Public Notice on 23 June 2021, with submissions closing on 16 July 2021.

The Shire also wrote to all ratepayers detailing the forecast impacts of proposed differential rates on their property and inviting submissions.

**Statutory Environment**

Part 6, Division 6 of the Act and Part 5 of the *Local Government (Financial Management) Regulations 1996* provides the head of power for the levying of local government rates. The legislation is quite prescriptive in its application, with the following aspects of particular note:

- Except as provide for in Section 6.26, all land within a district is rateable land (s6.26).
- In order to make up the “budget deficiency” a local government is to impose a general rate which may be imposed uniformly or differentially. A local government may also impose a specified area rate, a minimum rate and a service charge (s6.32).
- A local government may impose a differential general rate according to land zoning, land use, whether the land is vacant or not, or a combination of each characteristic (s6.33).
- No differential general rate in each category (UV or GRV) is to be more than twice the lowest differential general rate, unless approved by the Minister (s6.33(3)).
- The amount shown in the annual budget as being the amount estimated to be yielded by the general rate is not to vary by +/- 10% of the budget deficiency, i.e. should essentially be a balanced budget (s6.34).





- The local government can impose differential minimum rates however, it is not to be applied to more than 50% of the properties within a district or within each category (s6.35).

### **Comment**

The endorsed differential rates proposed a 1.85% increase to derive \$25,060,988 in net rate revenue. Subsequently it has been identified that 100 properties classified as UV Rural Residential were less than 4,000 square metres and so, in accordance with the Objects and Reasons, these properties have been re-categorised as UV General.

This has led to a reduction in budgeted net rate revenue, with a reduced amount of \$25,023,921 to be derived, equating to a 1.69% overall increase.

The Shire's proposed Differential Rates and Rating Strategy has been developed to guide the Council's continued efforts to address rating equity and ensure the Shire's financial sustainability moving forward.

The Shire has been systematically attempting to reduce annual cash expenditure with operating cash costs having been reduced by over half a million dollars over the past 3 years, despite servicing a significantly larger population.

In order to address the Shire's financial sustainability, the Shire needs to see a lift in own source revenue, with multiple independent reviews suggesting a \$1.5 to \$2 million per annum increase in operating surplus to facilitate the Asset Renewal requirements over the next 10 years.

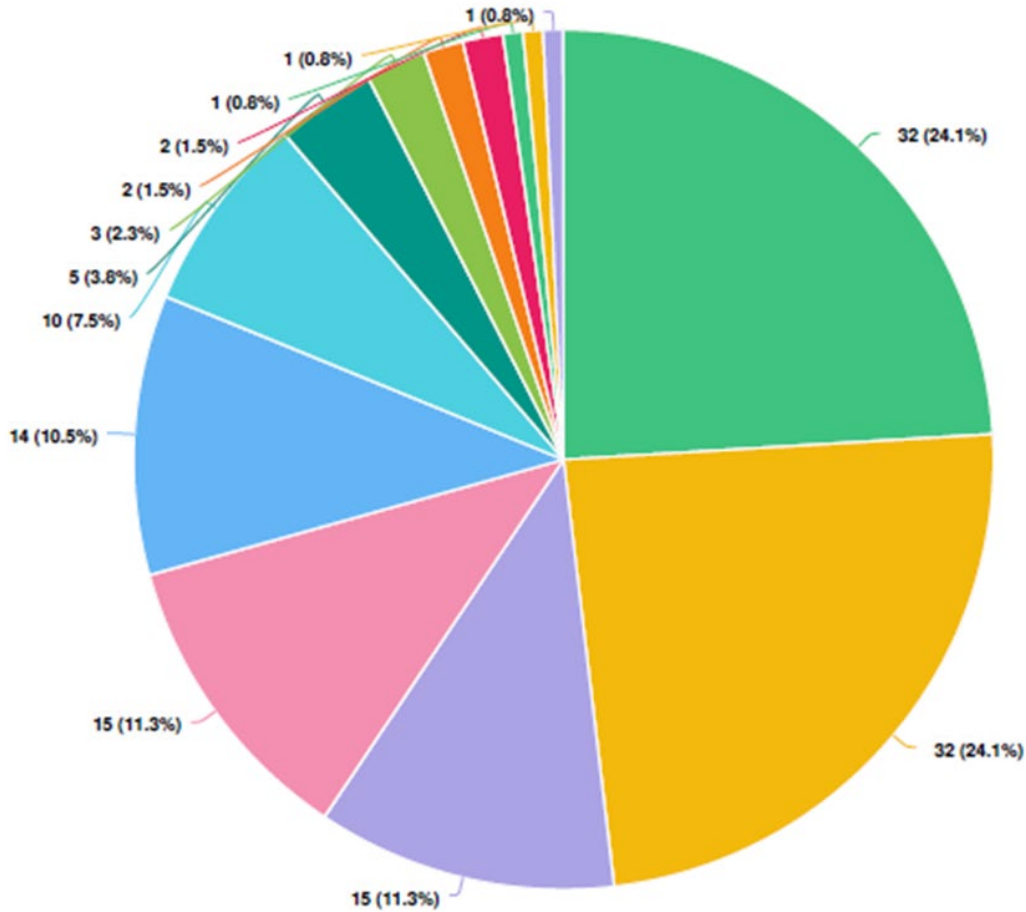
As per Council Resolution OCM153/06/21, Council authorised the Chief Executive Officer to advertise for public comment, the proposed Differential Rates and Minimum Payments, and Statement of Objects and Reasons as per the requirements of section 6.36 of the *Local Government Act 1995*. Submissions closed on 16 July 2021 and the Shire received 156 submissions, 121 via Your Say SJ, and 35 written submissions.

As detailed above the Shire wrote to all ratepayers, 12,395 letters in total, this corresponds to a response rate of 1.26%.

Of the responses received, Officers have noted all feedback, with 13 to be provided a formal response.



Below is a summary of submissions received through Your Say SJ by Suburb:

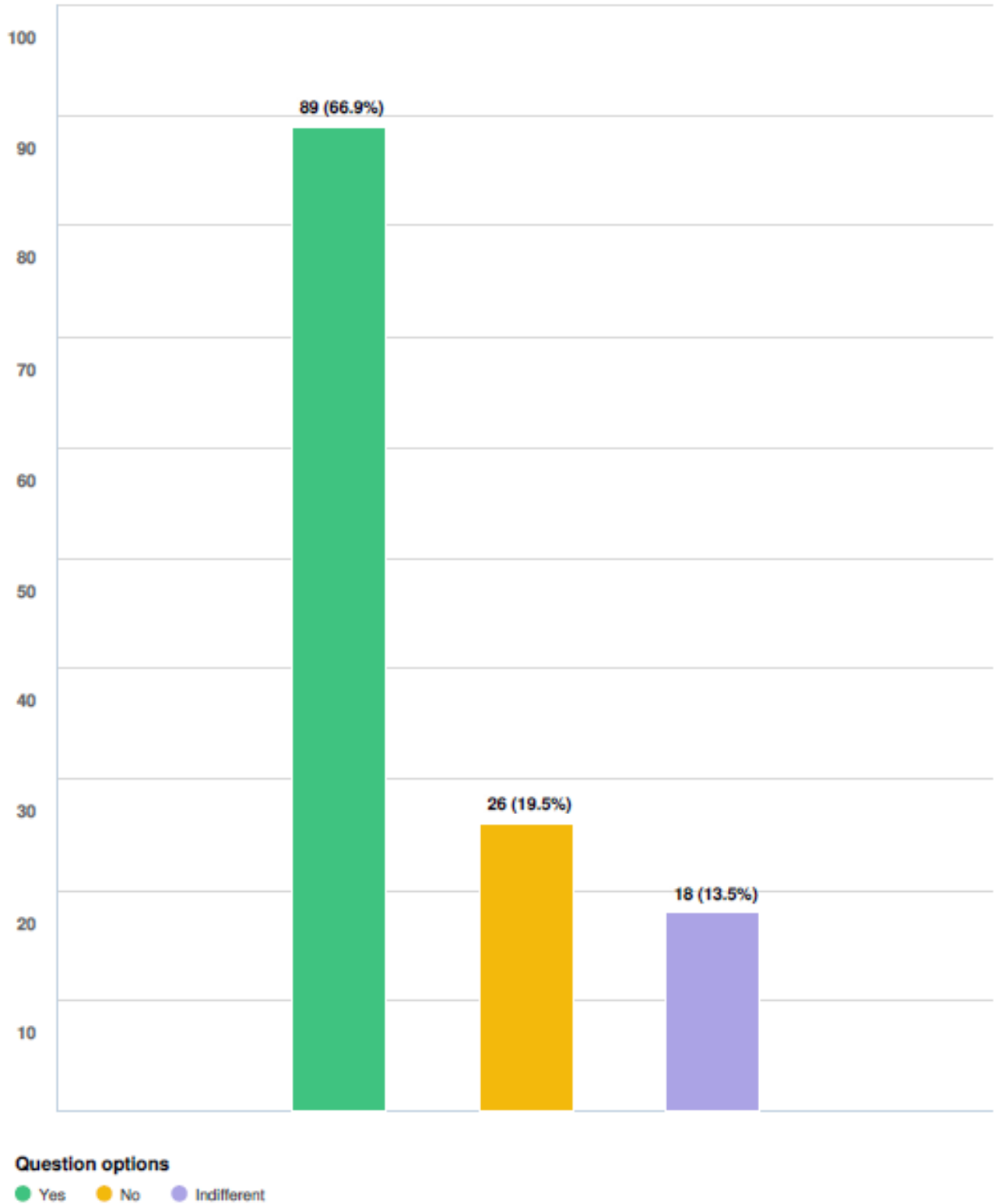


**Question options**

- BYFORD, WA
- OAKFORD, WA
- SERPENTINE, WA
- DARLING DOWNS, WA
- CARDUP, WA
- JARRAHDAL, WA
- MARDELLA, WA
- WHITBY, WA
- MUNDJONG, WA
- OLDBURY, WA
- HOPELAND, WA
- BALDIVIS, WA
- KEYSBROOK, WA

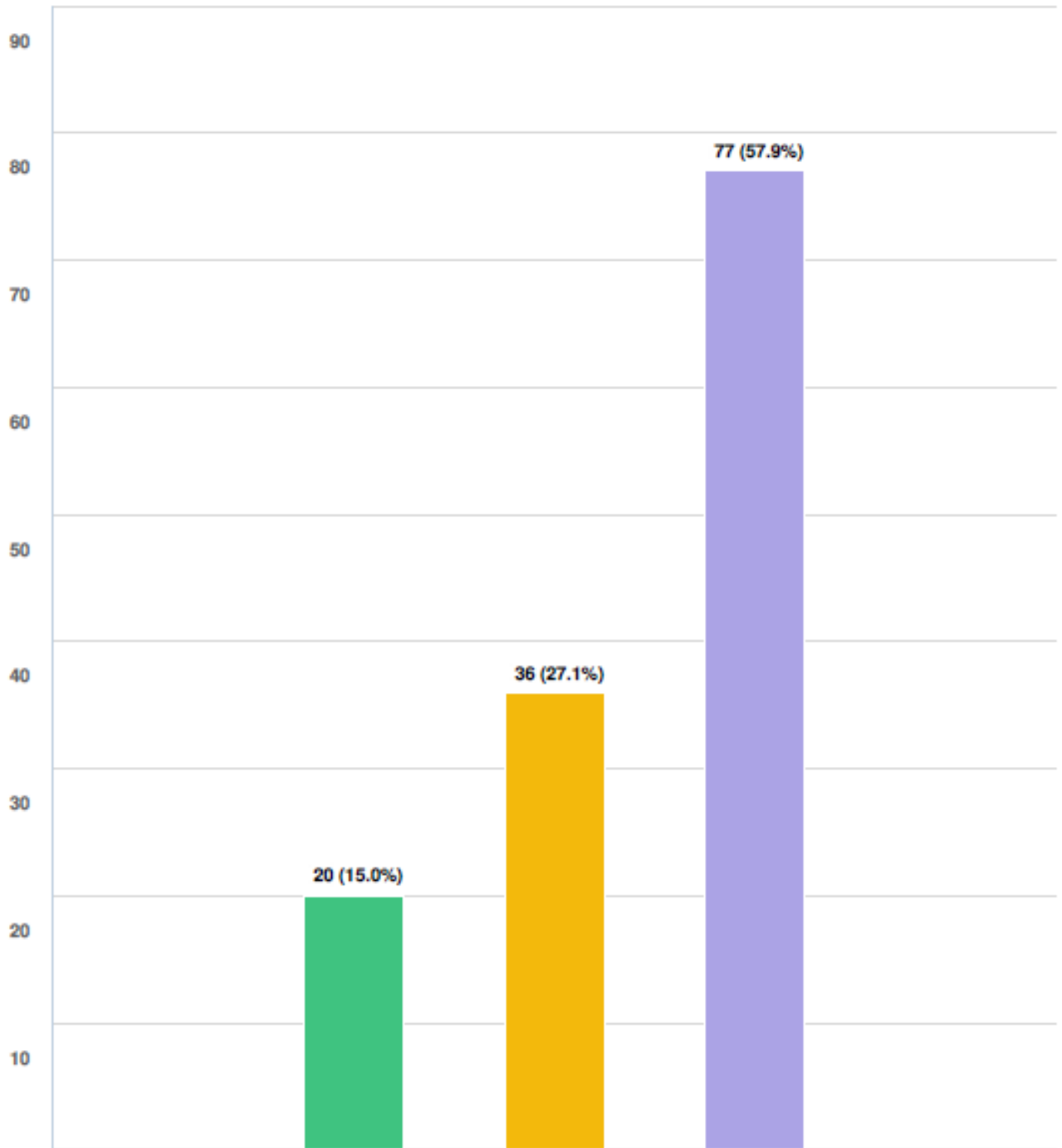


Submissions received through Your Say SJ included responses to the following questions:  
Do you think fair and equitable rating is important?





What does fair and equitable rating mean to you?



**Question options**

- Every one pays the same amount of rates
- Every one pays in proportion to the value of their property, reflecting their capacity to pay
- Other (please specify)



The majority of respondents who completed submissions indicated they would like to see rates levied in a fair and equitable manner, however the majority also seemed to indicate this would be achieved by rates being more directly tied to provision of services within their locality.

Submissions also referenced scheme water, sewerage and internet services which it must be noted are not services which the Shire provides, nor is responsible for.

Rates are a broad base tax not a fee for service and are to provide benefit for the community at large, including road and transport infrastructure, recreation and public safety.

A complete summary of the submissions has been included at **attachment 1** – Written Submissions, **attachment 2** – Responses regarding Differential Rates, and **attachment 3** – Responses regarding the Draft Rating Strategy.

### **Options and Implications**

#### Option 1

That Council:

1. NOTES, in accordance with section 6.36 of the *Local Government Act 1995*, the submissions on proposed differential rates contained in **attachment 1** and **attachment 2**.
2. NOTES the submissions on the draft Rating Strategy contained in **attachment 3**.
3. ADOPTS the Rating Strategy as contained in **attachment 4**.

#### Option 2

That Council:

1. DOES NOT NOTE, in accordance with section 6.36 of the *Local Government Act 1995*, the submissions on proposed differential rates contained in **attachment 1** and **attachment 2**.
2. DOES NOT NOTE the submissions on the draft Rating Strategy contained in **attachment 3**.
3. DOES NOT ADOPT the Rating Strategy as contained in **attachment 4**.

Option 1 is recommended.

### **Conclusion**

The proposed rate in the dollar for the differential general rates as recommended have been developed to provide the Shire sufficient funding to maintain levels of service and meet the Shire's strategic objectives.

### **Attachments (available under separate cover)**

- **6.1.1 - attachment 1** – Written Submissions (E21/8282)
- **6.1.1 - attachment 2** - Responses regarding Differential Rates (E21/8283)
- **6.1.1 - attachment 3** - Responses regarding the Draft Rating Strategy (E21/8284)
- **6.1.1 - attachment 4** – Draft Rating Strategy (E21/8265)



### Alignment with our Strategic Community Plan

<b>Outcome</b>	4.1 A resilient, efficient and effective organisation
<b>Strategy</b>	4.1.1 Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.
<b>Outcome</b>	4.2 A strategically focused Council
<b>Strategy</b>	4.2.2 Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions

### Financial Implications

The financial implications are detailed within this report.

### Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	If Council adopt the endorsed Rating Strategy there may be reputational risk from sections of the community who are financially impacted by the implementation of the Strategy.	<ul style="list-style-type: none"> <li>Differential Rating categories endorsed by Council in June.</li> <li>The Rating Strategy outlines the reasons for the proposed model.</li> <li>Community consultation undertaken by way of advertising the proposed rates and receipt of public submissions.</li> </ul>	Reputation	Possible	Minor	MODERATE	Nil



Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
2	If Council does not adopt the endorsed rating strategy there could be a reputational risk as a result of not adopting a strategy which has been endorsed and advertised.	Nil.	Reputation	Likely	Moderate	SIGNIFICANT	Nil

**Voting Requirements:** Simple Majority

**Officer Recommendation:**

**That Council:**

1. **NOTES**, in accordance with section 6.36 of the *Local Government Act 1995*, the submissions on proposed differential rates contained in attachment 1 and attachment 2.
2. **NOTES** the submissions on the draft Rating Strategy contained in attachment 3.
3. **ADOPTS** the Rating Strategy as contained in attachment 4.



<b>6.1.2 – 2021/2022 Budget (SJ3595)</b>	
<b>Responsible Officer:</b>	Director Corporate Services
<b>Senior Officer:</b>	Chief Executive Officer
<b>Disclosure of Officers Interest:</b>	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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### Report Purpose

The purpose of this report is to enable Council to consider adopting the Municipal Fund Budget for the 2021/22 financial year together with supporting schedules, including adoption of fees and charges, rate in the dollar and minimum payments and other consequential matters arising from the budget papers, to meet its obligations under the annual integrated planning and reporting processes.

### Relevant Previous Decisions of Council

<p><i>Ordinary Council Meeting – 14 December 2020 – OCM394/12/20 – COUNCIL RESOLUTION / Officer Recommendation – <b>extract</b></i></p> <p><i>That Council:</i></p> <p>4. <i>NOTES that a further \$250,000 will need to be included in the 2021/22 financial year budget to meet the Council's requirements in the funding agreement.</i></p>
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<p><i>Ordinary Council Meeting – 14 December 2020 - OCM399/12/20- COUNCIL RESOLUTION / Officer Recommendation</i></p> <p><i>That Council:</i></p> <p>1. <i>NOTES the Shire of Serpentine Jarrahdale's Integrated Planning and Reporting Timetable as contained within attachment 1; and</i></p> <p>2. <i>REQUESTS the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries to request an extension of time to commence the full review of the Strategic Community Plan, commencing after the Local Government elections to be held in October 2021.</i></p>
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<p><i>Ordinary Council Meeting – 15 February 2021- OCM036/02/21 - COUNCIL RESOLUTION / Officer Recommendation - <b>extract</b></i></p> <p><i>That Council:</i></p> <p>1. <i>RECEIVES the results of the Community Perceptions Survey 2020 - MARKYT Community Scorecard Report as contained in attachment 1; and</i></p> <p>2. <i>NOTES and CONSIDERS addressing the priorities identified as part of the following:</i></p> <p><i>a. annual budget processes;</i></p>
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- b. review of the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan; and*
- c. advocacy with State and Federal Governments.*

*Ordinary Council Meeting –15 March 2021- OCM064/03/21 - COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

- 1. ADOPTS the 2020/21 Statutory Budget Review report as per attachment 1.*
- 2. NOTES that Shire Officers will work to establish revised Council workshop dates as soon as practicable after the result of the State Election is known.*
- 3. REQUESTS the Chief Executive Officer to submit a copy of the review and determination to the Department of Local Government, Sport and Cultural Industries.*

*Ordinary Council Meeting – 15 March 2021 – OCM066/03/21 – COUNCIL RESOLUTION / Officer Recommendation – **extract***

*That Council:*

- 3. CONSIDERS the following projects through the annual Corporate Business Plan review:*
  - a) Signage on equine trails;*
  - b) Equine Emergency Preparedness program;*
  - c) Equine Officer position (0.5 FTE); and*
  - d) Equine Facility Feasibility and Business Case.*
- 4. NOTES that there will be a need to consider an allocation of funds in future budgets to meet priorities as described in this report; and*

*Ordinary Council Meeting – 17 May 2021– OCM116/05/21 – COUNCIL RESOLUTION / Officer Recommendation – **extract***

*That Council:*

- 2. REQUESTS the Chief Executive Officer list for consideration the renovation of the dance floor in the Multifunction Room (Stage) at the Serpentine Jarrahdale Recreation Centre (\$51k) in the 2021/22 budget and within the context of the findings from the recent review of operations at the SJ Recreation Centre undertaken by the Community Development directorate;*

*Ordinary Council Meeting –17 May 2021- OCM123/05/21 - COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

- 1. NOTES the performance report against the 2020-24 Corporate Business Plan for the period 1 January to 31 March 2021 as contained in this report and attachment 1.*
- 2. NOTES that any amendments required to projects within the Corporate Business Plan will be considered by Council through the annual budget development and corporate business plan review process or a budget amendment as relevant.*



**Ordinary Council Meeting – 17 May 2021 – OCM126/05/21 – COUNCIL RESOLUTION / Officer Recommendation – extract**

*That Council:*

1. *RESOLVES that no changes are made to Councillor fee and allowance entitlements for the 2021-22 financial year, with entitlements being:*
  - *Annual attendance fee (Councillor) \$17,250*
  - *Annual attendance fee (President) \$23,131*
  - *Annual allowance (President) \$47,045*
  - *Annual allowance (Deputy President) \$11,761*
  - *ICT allowance \$3,500*

**Ordinary Council Meeting – 17 May 2021 – OCM127/05/21 – COUNCIL RESOLUTION / Officer Recommendation – extract**

*That Council:*

1. *List for consideration in the 2021/2022 budget the employment of a Project Management Officer and associated consultation funds to facilitate the implementation of a project management office.*

**Ordinary Council Meeting – 21 June 2021 - OCM153/06/21 - COUNCIL RESOLUTION / Officer Recommendation**

*That Council:*

1. *ENDORSES a total rate yield for 2021/2022 budget purposes, which will derive a proposed \$25,060,988 in net rate revenue, which is a 1.85% increase on current year to date base rate calculations.*
2. *ENDORSES for the purpose of advertising the following proposed Differential Categories, Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2021/22 rating year.*

<i>Rate Category</i>	<i>Rate in Dollar (Expressed as cents in \$)</i>	<i>Minimum Payment</i>
<i>GRV Residential</i>	<i>0.103321</i>	<i>\$1,276</i>
<i>GRV Commercial / Industrial</i>	<i>0.117763</i>	<i>\$1,434</i>
<i>GRV Vacant</i>	<i>0.189295</i>	<i>\$972</i>
<i>UV General</i>	<i>0.004135</i>	<i>\$1,383</i>
<i>UV – Rural Residential</i>	<i>0.004342</i>	<i>\$1,750</i>
<i>UV – Commercial / Industrial</i>	<i>0.006203</i>	<i>\$1,750</i>
<i>UV Intensive Farmland</i>	<i>0.008270</i>	<i>\$1,750</i>

3. *AUTHORISES the Chief Executive Officer to advertise for public comment, the Differential General Rates and the Minimum Payments Statement of Objects and*



*Reasons in attachment 1, as per the requirements of section 6.36 of the Local Government Act 1995.*

4. *ENDORSES the rating strategy at attachment 2 be advertised for community consultation.*
5. *APPROVES the letter at attachment 3 to be sent to all properties within the Shire.*

*Ordinary Council Meeting – 21 June 2021– OCM158/06/21 – COUNCIL RESOLUTION / Officer Recommendation – **extract***

*That Council:*

2. *LISTS FOR CONSIDERATION through the 2021/2022 financial year budget process, the establishment a Mobile Library Service, noting that the service would not commence delivery to the community until the Shire of Serpentine Jarrahdale Library Services have been relocated to the Byford Hall venue.*

*Ordinary Council Meeting – 21 June 2021– OCM166/06/21 – COUNCIL RESOLUTION / Officer Recommendation – **extract***

*That Council:*

4. *REQUESTS the Chief Executive Officer to include \$30,000 in the draft 2021/22 Financial Year Budget for the Shire's Federal Government Election approach, as outlined in the report.*
5. *REQUESTS the Chief Executive Officer to include an amount of \$30,000 in the 2021/22 Financial Year budget for the development of a Business Case for the development of the West Mundijong Industrial Area.*

## **Background**

The Shire has an obligation to plan for the future of the district under the Integrated Planning and Reporting (IPR) Framework. The processes are annual, biennial (minor strategic review) and quadrennial (major strategic review). Information in this report addresses the annual IPR process.

The Department of Local Government and Communities IPR guidelines state that the annual process should include the:

- Development of an annual budget based on the delivery program of the Corporate Business Plan for the relevant year;
- Update and review of the Corporate Business Plan; and
- Addition of a year to the Long Term Financial Plan.

At the December 2020 Ordinary Council Meeting, Council noted the Shire's IPR Timetable. This timetable outlined the key steps involved in the Shire's annual IPR process to develop the Annual Budget, review the Corporate Business Plan and update the Long Term Financial Plan. The key steps included submission and review of business cases, workshops with Executive and Council and establishing due dates to ensure regulatory compliance. In April 2021, Councillors were provided with an updated timetable that considered the impacts of the WA State Election.

Aside from the business as usual and regulatory requirements of this process, this year's process also included:



- Identification and consideration of actions to mitigate strategic risk;
- Identification and consideration of actions to address the 2020 community perceptions survey;
- An analysis of performance data (i.e. CBP quarterly progress reporting) to assess where improvement is required and/or what projects require amendment;
- Consideration of amendments to resource capability as a result of the Rating Strategy endorsed by Council in June 2021;
- Consideration of amendments to resource capability in line with the Organisational Development RoadMap; and
- the use of the Enterprise Budgeting module within OneComm to produce the budget and associated reports.

This process is now complete, and the Annual Budget 2021/2022 is provided for Council consideration as detailed in this report.

### **Community / Stakeholder Consultation**

#### Policy Concept Forum - Budget Workshop – Rates, Fees and Charges, LTFP

<b>Meeting Date</b>	3 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr McConkey, Cr Strange, Cr Strautins

#### Policy Concept Forum - Budget Workshop- Capital and Corporate Business Plan

<b>Meeting Date</b>	24 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr Strange

#### Policy Concept Forum - Budget Workshop - Operating

<b>Meeting Date</b>	31 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Dagostino, Cr Denholm, Cr McConkey, Cr Strange, Cr Strautins

#### Budget Workshop – Operating (Continued)

<b>Meeting Date</b>	3 June 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Dagostino, Cr Strange

#### Community Consultation - Notice of rates and invitation to submit

In addition to the above, the Shire is required to, in accordance with Section 6.36 of the *Local Government Act 1995*, give notice of certain rates and invite submissions for a period



of 21 days or such longer period. The Shire gave Local Public Notice on 23 June 2021, with submissions closing on 16 July 2021.

The Shire also wrote to all ratepayers detailing the forecast impacts of proposed differential rates on their property and inviting submissions.

#### Distribution of Budget Documents

Documentation was sent to Councillors prior to each workshop held as detailed above. A complete set of budget documents was then sent to all Councillors on 8 July 2021, requesting feedback by 16 July 2021. The documentation included the following and was distributed in hard and soft copy:

- 2021/22 Statutory Budget Documents
- 2021/22 Capital and Non Recurrent
- 2021/22 Carryforwards
- 2021/22 Operating Budgets by Nature and Type (this excludes depreciation)
- 2021/22 Fees and Charges
- 2021/22 Long Term Financial Plan – with changes highlighted
- Items for Consideration – Council and Committee Meetings
- Budget Adjustments – Post Councillor Workshop #3
- Corporate Business Plan

Officers received no requests for changes by 16 July 2021.

### **Statutory Environment**

#### *Local Government Act 1995 and Local Government (Financial Management) Regulations 1996*

Section 6.2 of the *Local Government Act 1995* requires that no later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt by absolute majority, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The 2021/22 Budget as presented is considered to meet statutory requirements.

Section 5.63 of the *Local Government Act 1995* specifically excludes the need to declare a financial interest where matters; have an interest in common to a significant number of ratepayers/electors; relate to the imposition of any rate, charge or fee; relate to a fee, reimbursement of an expense or an allowance payable to elected members.

### **Comment**

The 2021/22 Budget continues the journey the Shire has been on in transforming the Council and the community's vision into delivery of outcomes on the ground whilst meeting community priorities. The budget is an ambitious document and has been prepared with a focus on capacity building of the organisation, improved service delivery and the sustainable creation, renewal and maintenance of assets.



All of this has been attempted while being mindful of the financial impacts on households and businesses understanding the consequences of the COVID-19 pandemic and its impacts on community.

The Budget has been developed in alignment with the Long Term Financial Plan (LTFP), Corporate Business Plan (CBP), Strategic Community Plan and other key supporting strategies as required under the Integrated Planning and Reporting Framework.

The 2021/22 Statutory Budget is developed from this strategic direction setting plans taking into consideration operational capabilities, community needs and the current economic conditions.

The budget has been prepared based on presentations made to elected members at the various budget and LTFP/CBP workshops over the last three months and in accordance with the requirements of the *Local Government Act 1995*.

The 2021/22 Budget is set within the following parameters:

- 1.69% increase in rate burden for the financial year, comparable to forecast cost increases, as demonstrated by the latest Economic Briefing from WALGA forecasts the Local Government Cost Index (“**LGCI**”) to be 3.3% to June 2021, with forecasts of 3.2% in 2021-22 and 2.8% in 2022-23.
- Operating costs funded from untied revenue in 2021-22 to be \$21.7M, a 1.7% increase on last year’s adopted budget position, well inside the forecast LGCI above, and \$427,460 under the forecast amount in last year’s adopted LTFP.

#### Statement of Comprehensive Income

The Statement of Comprehensive Income in the 2021/22 Annual Budget includes \$55.8 million related to income (inclusive of Rates), and \$42 million of operating expenditure (including \$9.8 million of non-cash depreciation expenditure).

The \$1.4 million budgeted increase in employee operating costs is the result of increased staffing levels to facilitate service delivery in response to significant increase in demand. This has been particularly evident in the areas of Planning, Health and Building, Waste, and Library Services. It also reflects increases in the Superannuation Guarantee Charge (from 9.5% to 10%) and Workers Compensation insurance premiums (Increase of 9.4% year on year).

It should also be noted that a number of new positions are to facilitate construction and renewal of transformative infrastructure and facilities which will be planned, developed, constructed and on the ground in the Shire in the coming years.

A comprehensive summary of new positions is detailed below.

#### Staff Establishment

The following changes in the staff establishment are proposed with this budget document.

The below new positions are proposed to be created to enable the Shire to deliver a significant capital works program, meet the increased volumes in the health and building areas, provide increase in waste services, ensure ICT stability, expand bushfire mitigations works and to properly resource the relocated Library.





In response to the need to deliver upon the outcomes of the election commitments and external funding from COVID 19 the Chief Executive Officer is undertaking a process to review and redesign the Infrastructure Directorate.

The budget has been developed based on the existing Organisation Structure, whilst providing additional resources to deliver specific Council agreed initiatives. It should be noted that the review may identify recommendations for Council's future consideration.

The full outcomes of the Directorate review and redesign process will be presented to Council once consultation and the business case is finalised.

### ***Bushfire and Natural Hazard Mitigations Officer***

Employment of a second officer to undertake mitigation works in relation to bushfire and natural hazard management within the Shire. The Shire has the statutory responsibility in relation to compliance under the *Bush Fires Act 1954*. Further, mitigation and risk management responsibilities are outlined in the *Emergency Management Act 2005* and accompanying State Hazard Management Plans. The ongoing work of identifying and treating risks within the Shire is a task that would benefit from a second bushfire / natural hazards practitioner. Having undertaken three rounds of capital works associated with State Government mitigation funding, the Shire has also identified a broad range of local mitigation actions and controlled burns needing to be undertaken to address the risk profile. The preparation of fire management plans for local reserves throughout the district is also necessary.

### ***Environmental Health Technical Officer / Public Health Promotions Officer***

The current role of the Environmental Health Technical Officer has existed on a contract basis within the Shire since 2018. Since that time the Shire has faced significant growth and distributed responsibilities from State to Local Government. This includes:

- 1) The new Health Act and responsibilities pertaining to public building assessment and ongoing regulation;
- 2) Legislated responsibilities associated with public health promotion commencing as part of the new Act;
- 3) 25% increase in licensed food premises and public buildings requiring inspections based on risk provide. Coupled with this, has been the active role of Environmental Health Officers (EHO's) in supporting the State Government response to COVID-19, and the upcoming planning for mass immunisation.

Taking all these facts to account, it is recommended that the current contract Environmental Health Technical Officer be converted to a permanent FTE, and the role updated to make it a clear focus on both technician status (assisting the Shire's EHO's) and also public health promotion (delivering programs to our community).

This will enable the Shire to continue carrying out its Environmental Health technical functions and also deliver on the public health objectives of the Shire's Health and Wellbeing Strategy.

### ***Business Trainee – Environmental Health and Building Services***

Each year the Shire employs two business trainees to provide administrative assistance in various departments of the organisation whilst also learning how a local government



operates. This year, the Shire wishes to focus the traineeships in the field of Environmental Health and in Building Surveying.

Due to the emergence of COVID-19, there was an increase in responsibility on qualified Environmental Health Officers (EHO's). Throughout WA, a shortage of EHO's was noticed. The increase in demand on EHO's and insufficient supply could place strain on the Shire's ability to conduct core public health protection tasks such as assessing wastewater applications, dealing with various environmental health concerns such as noise, odour, dust, food related complaints etc. By providing a traineeship to a student in a recognised course to become an EHO, the Shire is providing a person with valuable hands on experience in a very diverse environment that is Serpentine Jarrahdale.

Similarly, qualified Building Surveyors are currently in short supply and high demand due to the Homebuilder stimulus grants which have significantly increased the volume of building activity in the Shire and across the state. Building Surveyors are essential for the certification and approval of all buildings. Employing a Trainee Building Surveyor will assist the Shire's Building Services Team with the timely assessment of building applications, inspection of pools and other building compliance matters.

This also facilitates succession planning for the future, as a trainee will become a fully qualified EHO or Building Surveyor with local experience and could potentially become a full time permanent employee should a vacancy arise.

### ***Waste Coordinator***

To provide the necessary support to the Manager of Waste and Fleet, to achieve the Shire's targets and milestone projects, set out in the Waste Management Strategy.

Currently, all the Waste Services Team functions (operations/admin/projects) are handled by the Manager of the business unit.

Due to the increasing workload from regulatory departments and new project operations, such as the Watkins Road facility, failure to employ additional resource would lead to delaying the delivery of projects set out in the Waste Management Strategy.

### ***Tip Shop/Recycling Attendant***

In order for the Shire to operate a tip shop within the Watkins Road site, a part time resource will be required to operate the shop and all the associated operations. The shop will have to be manned during all operational hours, to ensure continuity of the operations.

### ***Waste Education Officer***

With the many changes in the waste area the Shire is implementing and planning to do into the future, waste education to the community is vital to reduce confusion and ensure a clear understanding of the Shire's intentions to improve waste services is delivered accordingly.

This was highlighted in the Ordinary Council Meeting in June, which indicated that the Shire would need to resource the waste services accordingly, to ensure it could deliver the intended changes required to meet the State's targets and objectives.

### ***Heavy Diesel Mechanic***

The Fleet Services Team currently has 1 x full time Light Diesel Mechanic and 1 x Workshop Supervisor (Heavy Diesel), that services and maintains over 300 assets. The split of assets per mechanic is 150 per employee.





This is considered in the high range and with the Shire's expanding fleet, the pressure to complete services and repairs in a timely matter will increase. By internalising the services which are currently contracted out, not only would there be a financial benefit to the Shire but the Shire would have greater control of asset repairs and maintenance.

An additional Heavy Diesel qualified resource would also allow the Workshop Supervisor to complete the necessary administration for the Fleet Team, without impacting the Workshop schedules. The Light Fleet mechanic would also benefit from working alongside a Heavy Duty qualified mechanic full time.

The Shire's operational group would also benefit from the additional resource, as ad hoc repairs and maintenance would be completed with less down time.

### ***Coordinator Facilities Maintenance***

Serpentine Jarrahdale is the third fastest growing Shire in Australia. As such there have been significant increases in associated infrastructure requiring maintenance. Currently the Shire only completes maintenance when a problem arises and is reported. This results in a lack of preventative maintenance and creates significant risk .

The Shire currently employs 1 supervisor and 1 officer that report directly to the Manager of Operations to undertake all building maintenance and renewal works within the Shire. The value of this budget last year was \$1.3 million. This represents a significant risk to the Shire as these funds are managed in a reactive manner instead of on a coordinated schedule. The Shire could see significant savings if a coordinator is employed to schedule works for internal staff, enabling more preventative maintenance and renewal works and reducing ongoing maintenance costs.

As outlined in the Corporate Business Plan Performance Reporting to date, this position is linked to successfully completing several services and projects including the Electrical, HVAC inspection and renewal report, Maintenance Service Level Plan and minor capital renewals for buildings. Additionally, the draft 2021-25 Corporate Business Plan identifies this position key to delivering the WA Election facility renewals and the universal access and inclusion program.

### ***Project Development Engineer (Building)***

A Project Engineer (specialising in Building type projects) required for Office and Depot Accommodation Project (Phase 1 and Phase 2).

The Administration Accommodation project is a multi-phased and multi-year project that consists of the following steps:

1. Relocation of the old Mundijong Library to Byford Hall;
2. Construction of a new Link Building and Refurbishment of the existing building and library;
3. Construction of new chambers;
4. Construction Stage 1 of new administration building;
5. Construction Stage 2 of the new admin building and fit-out Stage 2A; and
6. Fit-out Stage 2B of the new administration building.

There is currently no available resource to assist the Project Manager with this work.



The benefit of the addition of this position is that it will ensure that project quality is achieved, assist with governance and prevent project overruns.

### **Major Projects Support Officer**

Project administration support is required to support the Project Manager and Project Engineers through the design and delivery of the Office Accommodation (Phase 1 and Phase 2) and Keirnan Park Projects.

The above projects are administratively intensive due to the level of stakeholder engagement required to deliver these projects. There will be significant stakeholder engagement in the design phase. During delivery, the administrative tasks will switch to regularly updating and informing stakeholders and assisting with technical queries, and providing administrative support for development of agendas, processing of payments etc.

### **Project Management Officer Position**

As per council resolution OCM127/05/21

*“List for consideration in the 2021/2022 budget the employment of a Project Management Officer and associated consultation funds to facilitate the implementation of a project management office.”*

The Project Management Office is a critical part of the Shire’s capacity building to ensure appropriate governance around major projects and reduce risks across all phases of major capital project delivery.

### **Business Systems Analyst - Assets**

During Phase One of the OneComm project, it was realised that the three major modules of the system, being Finance, Works & Assets and Property & Rating will require a technical role that is responsible for ensuring the alignment of the system modules to business needs.

Whilst the finance systems technical role is filled with an existing FTE, there was nobody identified internally within the Shire with both asset management and the requisite technical expertise required to ensure the alignment of systems to business as usual, now and into the future.

In order to address the risks identified within the asset management plans and in accordance with the resolution of the Audit, Risk and Governance Committee to give higher consideration and priority to ensure the mitigation actions progress to address the asset management risk in a more timely manner, it is vital that this role be recruited.

The Shire currently maintains 3 asset registers, plus a number of ancillary excel workbooks to manage assets and associated risks.

As part of addressing the risks specific to the Shire’s asset data, the Shire will, through the implementation of the OneComm system, develop a fully integrated singular asset register which contains all asset data and integrates with business processes throughout the organisation.

This will then allow consistent reporting of asset management status and outcomes and facilitate better decision making, with a significantly reduced risk of missing or omitted information. In order to accomplish this goal, it is imperative that a key user be recruited to interface with the business to ensure the technology addresses the Shire’s need in terms of how information is captured and reported.



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### ***ICT Systems Administrator***

Until 3 years ago the entire ICT function was outsourced. Currently the new ICT Operations section of the ICT service team has two FTE's, being a service desk officer (responsible for helpdesk) and a Senior ICT Systems Administrator (responsible for server, systems, data backup and ICT projects). Predominately both these roles work on keeping the Shire's full suite of ICT services operational.

The number of users this team is supporting has expanded from 167 to 226. With the growth in the Shire's IT complexity (e.g. introduction of Teams, Teams calling, SharePoint, infield iPads and other), and significant new construction projects coming up (new and expanded Administration Building, relocation of the Library) along with other ICT infrastructure upgrades (e.g. WAN/LAN/WIFI redesign, Migration of ICT services to the cloud), the ICT operations section requires additional resource to design, implement and maintain the Shire's ICT services (e.g. ensuring the latest patches and security features are installed in a timely manner).

### ***Jarrahdale Trails Town Project Coordinator***

This resource is to ensure the delivery of the priorities as contained in the Jarrahdale Trail Town Business Case (once endorsed) and achieve Trail Town accreditation for Jarrahdale.

The Shire is under resourced currently to be able to achieve the delivery of the identified priorities, and without an additional resource the outcomes will not be met.

The Project Officer responsibilities will include coordination of the delivery of the priorities, communication with the Jarrahdale community, and development of business cases and grant applications specific to Trails.

Within the draft 2021-25 Corporate Business Plan, this position is key to delivering strategic projects including the Masterplan or a Trails Centre at Lot 814 Jarrahdale, the Heritage Park Business Case and the Jarrahdale Oval Master Plan.

### ***Library Officer – Mobile Van Service***

This position will allow the introduction of a mobile van service to operate, providing a library service to the wider population where there is no service as a compliment to the main library.

A dedicated Library Officer for a mobile van service will be required so as not diminish service levels at the main library.

At times this service could be assisted by other library team members or volunteers from the Shire's library pool of volunteers. Once the service is established the Shire will determine if a second officer will be required.

The Mobile Van service will also be used by other library team members if there are specific needs for a vehicle e.g. school visit by Lifelong Learning Specialist (as a preference for using Shire pool vehicle).

### ***Library Officers x 2***

Resources to ensure sufficient staffing levels for the Shire of Serpentine Jarrahdale Library Services, responding to increase in service levels resulting from the relocation of library services to Byford following resolution at Ordinary Council Meeting on 21 June to proceed with Library relocation Option 2.



### Capital Works Program

The Shire is proposing an extensive and transformative Capital Works program for the 2021/2022 financial year with budgeted new capital projects more than double last year's new capital works program.

The below asset classes have significant year on year increases in budgeted new capital expenditure:

- Facilities – Increase from \$1,750,000 to \$6,575,357;
- Roads – Increase from \$3,964,030 to \$6,226,653;
- Bridges – Increase from \$400,000 to \$2,000,000 (Jarrahdale Road Bridge Upgrade);
- Drainage – Increase from \$30,000 to \$90,000 (Drainage Renewals).

Major projects planned to get underway in 2021-2022 include:

- The planning and design of State Government funded infrastructure including road upgrades to Kargotich, Orton and Soldiers Roads;
- The delivery of \$612,560 of upgrades to the SJ Rec Centre, of which \$106,000 is funded from State Election;
- The delivery of \$228,000 of State Government funded facility renewals;
- Detailed design and procurement for the construction of Keirnan Park Stage 1A;
- Delivery of trail upgrades to Marcora Trail, Kitty's Gorge and Whitby Falls;
- Establishment of the tip shop at the Waste Transfer Station in Mundijong;
- Delivery of phase 1 and 2 of the Civic Centre and Library project including upgrade and relocation of the Library to Byford and detailed design and procurement for upgrades to the Administration Accommodation;
- Road upgrades and renewals, including:
  - \$311,850 Gossage Road RAV 3 Upgrade;
  - \$1.5m in MRRG Upgrades (Hopkinson Road, Rowley Road, Nettleton Road and Kingsbury Drive);
  - \$1.1m in State Blackspot Upgrades (Anketell Road, Keirnan Street and Thomas Road / Anketell Road Intersection);
  - \$936,000 in Federal Blackspot Upgrades (Meads Street, Mundijong Road, Nettleton Road); and
  - \$1m Road to Recovery Reseal Program at 25 locations throughout the Shire.

A list of Capital Projects is included in the 2021/22 Budget documents contained in **attachment 1**.

### Rates

Rates have been incorporated in the Budget in accordance with the Differential Rating and Minimum Payments, Objects and Reasons and Rating Strategy endorsed at the Council Meeting held 21 June 2021.



Please note, the endorsed differential rates proposed a 1.85% increase to derive \$25,060,988 in net rate revenue. Subsequently it has been identified that 100 properties classified as UV Rural Residential were less than 4,000 square metres and so, in accordance with the Objects and Reasons, these properties have been re-categorised as UV General.

This has led to a reduction in budgeted net rate revenue, with a reduced amount of \$25,023,921 to be derived, equating to a 1.69% overall increase.

Penalty interest rates for late payment of rates and service charges will be reduced from 8% pa to 7% pa in line with the State Government's *Local Government (COVID-19 Response) Act*.

Further the Shire will no longer charge the administration charge on instalments (previously \$5 per instalment) and will maintain the interest charge at 2%.

Consequently, there is no revenue for Instalment Fees in the 2021/2022 Budget.

#### Borrowings

The 2021/22 Budget includes the proposed purchase of a parcel of land for the future development of the site for the Shire Depot Operations, which is to be funded by a \$3 million loan.

Please note, prior to drawdown of this loan, the Shire will prepare a major land transaction business case in accordance with the *Local Government Act 1995* to be presented to Council at a future date.

Additionally, a further \$1,819,500 of loan funds are proposed to be drawn down to fund a portion of the Civic Centre design and planning, subject to further resolutions of Council.

In addition to the above, it is also proposed that the Shire's current short-term loan facility for Abernethy Road and Briggs Park Upgrade in the amount of \$2,715,000 be converted to a 5 year fixed term facility.

#### Reserves

Shire reserve funds are expected to decline by \$2.36 million in the 2021/22 financial year, primarily to fund the Civic Centre project, undertake the next phase of the Shire Facility refurbishment, and contribute to the costs associated with the relocation of the Library.

Timing of reserve drawdowns are subject to speed and progression on these projects.

Further drawdowns are also budgeted for the establishment of a Tip Shop at the Watkins Road Waste Transfer Station as well as the acquisition of new and replacement fleet.

The Shire is seeking to establish a new reserve to comply with the new State Planning Policy 3.6 specific to infrastructure contributions, which requires all developer contributions received specific to Public Open Space be kept in a Reserve fund moving forward as per below:

<b>Name of Reserve</b>	<b>Reserve Purpose</b>
Public Open Space Reserve	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.



Officers are proposing to change the purpose of the following Reserve:

Name of Reserve	Proposed New Purpose	Reason for Changing the Purpose
Community Grants Reserve	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.	To facilitate project support from Shire staff in managing and implementing projects funded through the Community Infrastructure funding program.

### Fees and Charges

The budget provides for total fees and charges revenue of \$7.28 million, a budgeted increase of \$794,000 year on year. Officers have experienced significant increase in service demand and associated fees and charges forecast revenue has been aligned with the current trend.

Accordingly, the budgeted increase is primarily the result of increased demand for services, and is not the result of any significant increase in fees being charged. The primary drivers of the increase in revenue is:

- EAS Fees - \$110,000 due to forecast increase volume in market in relation to property sales and transfers, reflective of current trends.
- Building Permits - \$135,000 due to forecast increased building activity, reflective of current trends.
- Verge Permits - \$60,000 due to forecast increase in activity, reflective of current trends.
- Subdivision Fees - \$100,000 due to forecast increase in subdivision activity, reflective of current trends.
- Income from lease and hire of Shire facilities is forecast to increase \$103,000. This is due to the availability of data through SpacetoCo facility management software implemented last year which allows us to more accurately forecast usage and revenue.
- Waste Transfer Station Fees - \$86,000 has been budgeted specific to the new services provided as result of the establishment of the Transfer Station and Tip Shop.

In determining the fees and charges, the following were taken into consideration:

- the cost to the Shire for providing the goods or service;





- the importance of the goods or service to the community; and
- the price at which the goods or service can be obtained from alternative suppliers.

As such the following amendments have been made to the 2021/22 Schedule of Fees and Charges:

The Shire will introduce the below *new* fees in the 2021/22 Schedule of Fees and Charges:

	<b>2021/2022 Fee (incl. GST)</b>
<b>Waste Services</b>	
<b><i>Waste Transfer Station (In line with additional service delivery)</i></b>	
4x4 SUV Tyre Recycling	\$10.00
Car Tyre Recycling	\$5.00
Mattresses Recycling	\$20.00
Free on Demand Collections	No Charge
Free Trailer Hire	No Charge
<b>Health Services</b>	
<b><i>Food Business Risk Assessment Annual Inspection Fees</i></b>	
Additional Risk assessment / inspection Fee when non-compliance identified	\$133.00
<b><i>Food Business Registration and Administration Fees</i></b>	
Application for authorisation of meat inspector	\$50.00
<b><i>Trading in Public Places (includes Itinerant Food Vendors) – Generally Accepted Industry Practice and Required under Local Law.</i></b>	
Street traders - Application for licence renewal	\$50.00
Street Traders - Operating on Shire Land - Per Annum	\$1,000.00
Street Traders - Operating on Shire Land - Per Day	\$10.00
Street Traders - Operating on Shire Land - Per Month	\$100.00
Street Traders - Operating on Shire Land - Per Week	\$50.00
<b>Meat Inspection Services (To facilitate agreement with DoJ)</b>	
Meat Inspection Services	At Cost
<b>Ranger Services (To cover costs associated with unscheduled out of hours calls specific to opening and closing of Shire facilities)</b>	
<b><i>Ranger After Hours Call Out Fee</i></b>	
After Hours call out fee relating to facility and/or reserve bookings	\$50.00
<b>Fire and Emergency Services (Cost Recovery)</b>	
<b><i>Emergency Management Issues</i></b>	
Firebreak Installation	At Cost
<b>Emergency Services</b>	
Grazing permit for bushfire mitigation	\$200 per annum pro rata



	<b>2021/2022 Fee (incl. GST)</b>
<b>Planning Services (In accordance with prescribed rates)</b>	
<b><i>Additional Fees - Regulation 49</i></b>	
Advertising of Development Application	\$1.50
Advertising Sign	Cost Recovery
Archive Search	\$185.50
Newspaper Notice	Cost Recovery
<b><i>Serpentine Jarrahdale Maps, Publications, Photocopying, etc</i></b>	
Archive Search	\$185.50
Local Shire Search	\$92.00
<b><i>Commercial Signage within Local Government Road reserves (Aligned with Council Policy)</i></b>	
Commercial Signage permit assessment fee	\$500.00
Commercial Signage permit	\$500 (small scale), \$1000 (large scale) per annum
<b>Building Services (Statutory Fee)</b>	
<b><i>Occupancy Permit and Building Approval Certificate Fees</i></b>	
BCITF Levy for works over \$20,000	0.20%
<b>Community Halls, Sports Ovals and Facilities (Consolidate fees and apply consistent charges for similar facilities).</b>	
<b><i>Storage Charges (was previously charges against specific facilities)</i></b>	
Annual fee	\$100.00
Sports Seasonal Fees	\$100.00
<b><i>Serpentine Sports Ground</i></b>	
Both Grounds only – all day fee	\$250.00
Both Grounds plus Pavilion – all day fee	\$400.00
<b><i>Briggs Park</i></b>	
Briggs Park Pavilion – Multipurpose Room 3	\$10.00
<b><i>Jarrahdale Tennis Pavilion</i></b>	
Hall and Kitchen - commercial	\$21.51
Hall and Kitchen - community	\$17.20
<b><i>Lighting</i></b>	
Lighting – Mundijong reserve	\$0.39
<b><i>Baker Hall</i></b>	
Main Hall – Commercial	\$25.00
Main Hall – Community	\$19.00
Multipurpose Room – Commercial	\$22.00
Multipurpose Room – Community	\$15.99
<b>Mundijong Facilities</b>	





	<b>2021/2022 Fee (incl. GST)</b>
Meeting Room	\$10.00
<b><i>Byford Hall (Future Shire of Serpentine Jarrahdale Library)</i></b>	
Multipurpose Room 2 - Commercial	\$20.00
Multipurpose Room 2 - Community	\$15.99
<b><i>Community Bus</i></b>	
Not for Profit & Community Organisation - Per Hour Hire Fee	\$18.00
Refuelling Penalty	\$200.00
<b><i>Season Charges</i></b>	
Pre-season – per week	\$25.00
Breach of Facility Hire Terms & Conditions penalty	
<b><i>Training Services</i></b>	
Training services – per week	\$15.00

The following fees and charges have *increased* in the 2021/22 Schedule of Fees and Charges:

	<b>2020/2021 Fee (incl. GST)</b>	<b>2021/2022 Fee (incl. GST)</b>	<b>% Increase (incl. GST)</b>	<b>\$ Increase (incl. GST)</b>
<b><i>Building Services (Increases as per Building Regulations 2012 - Minimum Fees 2021/2022)</i></b>				
<b><i>Demolition Permit</i></b>				
Application for a demolition permit in respect of a building or incidental structure	\$105.00	\$110.00	4.76%	\$5.00
Application for a demolition permit in respect of a Class 2 to Class 9 building or incidental structure	\$105.00	\$110.00	4.76%	\$5.00
<b><i>Occupancy Permit and Building Approval Certificate Fees</i></b>				
Application for a replacement occupancy permit for permanent change of the building's use or classification	\$105.00	\$110.00	4.76%	\$5.00
Application for a temporary occupancy	\$105.00	\$110.00	4.76%	\$5.00



	<b>2020/2021 Fee (incl. GST)</b>	<b>2021/2022 Fee (incl. GST)</b>	<b>% Increase (incl. GST)</b>	<b>\$ Increase (incl. GST)</b>
permit for an incomplete building				
Application for an Occupancy Permit for a completed building	\$105.00	\$110.00	4.76%	\$5.00
Application for modification of an occupancy permit for additional use of a building on a temporary basis	\$105.00	\$110.00	4.76%	\$5.00
Application to extend the time during which occupancy permit or building approval certificate has effect	\$105.00	\$110.00	4.76%	\$5.00
Application to replace an occupancy permit for existing building	\$105.00	\$110.00	4.76%	\$5.00
<b>Other Application Fees for Building Permit</b>				
Application to amend a building permit	\$105.00	\$110.00	4.76%	\$5.00
Application to extend the time during which a building or demolition permit has effect	\$105.00	\$110.00	4.76%	\$5.00
<b>Development Assessment Panels - Regulation 48A   A DAP application where the estimated cost of the development is – (Increases as per Planning and Development (Development Assessment Panels) Amendment Regulations (No. 2) 2021)</b>				
(a) not less than \$2 million and less than \$7 million	\$5,603.00	\$5,701.00	1.75%	\$98.00
(b) not less than \$7 million and less than \$10 million	\$8,650.00	\$8,801.00	1.75%	\$151.00
(c) not less than \$10 million and less than \$12.5 million	\$9,411.00	\$9,576.00	1.75%	\$165.00
(d) not less than \$12.5 million and less than \$15 million	\$9,680.00	\$9,849.00	1.75%	\$169.00



	<b>2020/2021 Fee (incl. GST)</b>	<b>2021/2022 Fee (incl. GST)</b>	<b>% Increase (incl. GST)</b>	<b>\$ Increase (incl. GST)</b>
(e) not less than \$15 million and less than \$17.5 million	\$9,948.00	\$10,122.00	1.75%	\$174.00
(f) not less than \$17.5 million and less than \$20 million	\$10,218.00	\$10,397.00	1.75%	\$179.00
(g) \$20 million or more	\$10,486.00	\$10,670.00	1.75%	\$184.00
<b>Development Assessment Panels - Regulation 48A   An application under r.17 **</b>				
Fee	\$241	\$245	1.66%	\$4.00
<b>Waste Management (Cost Recovery reflecting increase in annual costs)</b>				
Recycle 240L Bin	\$153.00	\$161.50	5.56%	\$8.50
<b>Engineering Services</b>				
<b>Directional Signage (Cost Recovery reflecting assessment of cost)</b>				
Rural street numbering	\$26.00	\$55.00	111.54%	\$29.00
<b>Other Engineering Services</b>				
Traffic Management Plan Assessment Fee	\$104.50	\$109.50	4.78%	\$5.00
<b>Community Halls, Sports Ovals and Facilities</b>				
<b>Lighting</b>				
Lighting - Briggs Park Reserve - Upper and Lower Oval	\$0.42	\$0.53	26.19%	\$0.11
<b>Trading in Public Places (includes Itinerant Food Vendors) – Incorporating administrative cost of assessment.</b>				
Street traders - application and administration	\$50.00	\$133.00	166.00%	\$83.00
<b>Season Charges   Senior Sports</b>				



	2020/2021 Fee (incl. GST)	2021/2022 Fee (incl. GST)	% Increase (incl. GST)	\$ Increase (incl. GST)
Netball - per team	\$200.00	\$400.00	100.00%	\$200.00
<b>Community Bus</b>				
Community Bus Bond	\$460.00	\$500.00	8.70%	\$40.00

The following fees and charges will *decrease* in the 2021/22 Schedule of Fees and Charges:

	2020/2021 Fee (incl. GST)	2021/2022 Fee (incl. GST)	% Increase (incl. GST)	\$ Increase (incl. GST)
<b>Planning Services</b>				
Clause 61A Deemed to Comply Check	\$350.00	\$295.00	-15.71%	-\$55.00
<b>Community Halls, Sports Ovals and Facilities</b>				
<b>Bruno Gianatti Hall</b>				
Small Multipurpose Room	\$17.50	\$15.99	-8.63%	-\$1.51
<b>St John Ambulance Hall Serpentine</b>				
Small Room - Commercial	\$21.51	\$15.60	-27.48%	-\$5.91
Hall - Community	\$25.00	\$15.99	-36.04%	-\$9.01
Hall - Commercial	\$32.00	\$20.00	-37.50%	-\$12.00
Small Room - Community	\$17.20	\$10.00	-41.86%	-\$7.20

The following fees and charges will be *discontinued* in the 2021/22 Schedule of Fees and Charges:

<b>Health Services</b>
<b>Food Business Risk Assessment Annual Inspection Fees (Exempt from routine inspections)</b>
Annual food business risk assessment for non-profit community organisations
<b>Planning Services</b>
<b>Commercial Vehicle Parking Permit</b>
Initial development application
Truck parking commenced, additional penalty
Permit per annum
<b>Building Services (Removal of duplicate fee and charge)</b>
<b>Application for Building Permit - Class 2 - 9 buildings</b>
BSL Levy for works over \$45,000
BSL Levy for works less than \$45,000
<b>Engineering Services (No longer considered necessary)</b>



<b>Engineering Advice Fee</b>
To apply where any party requires assistance with any engineering matter not covered in the normal course of the duties of the Engineering Directorate as deemed in the Shire's Engineering Standards, regular practices or work procedures, and any other relevant laws, policies, or regulations
<b>Administration (Remove duplicate fees and charges, listed under Library, Administration does not provide photocopying services)</b>
<b>Photocopying</b>
A3 black and white (per page)
A4 black and white (per page)
A4 colour (per page)
A3 colour (per page)
<b>Library Services</b>
Replacement jigsaw bags
<b>Community Halls, Sports Ovals and Facilities (Storage consolidated into a singular fee, not separate for each facility)</b>
<b>Oakford Community Hall</b>
Storage
<b>Bruno Gianatti Hall</b>
Storage
<b>Mundijong Facilities</b>
Storage
<b>Briggs Park</b>
Storage
<b>Clem Kentish Hall and Oval</b>
Storage
<b>Serpentine Sports Ground</b>
Serpentine Sports Ground - David Buttfield Equestrian Ground - Storage
<b>Community Bus (Exempted)</b>
Not for Profit community organisations - Full day including the first 200 kms
Not for Profit community organisations - up to 5 hours including the first 100 kms

### Statutory Budget

The Statutory Budget is prepared in accordance with all relevant professional accounting pronouncements. It contains all statutory statements and supporting schedules including:

- Comprehensive Income Statement by Nature or Type;
- Comprehensive Income Statement by Reporting program;
- Statement of Cash flows;



- Rate Setting Statement; and
- Notes to and forming part of the Budget.

#### Monthly reporting of significant (material) variances

As per the *Local Government (Financial Management) Regulations 1996*, Regulation 34, a financial activity statement is required to be prepared each month. *Local Government (Financial Management) Regulations 1996* Regulation 34 part 5, state that ‘Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances’. It is recommended that Council adopt a definition of ‘significant (material) variances’ of \$10,000 or 10% (whichever the greater). In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and Capital income and expenditure in the Statement of Financial Activity.

### Options and Implications

#### Option 1

That Council:

1. ADOPTS, in accordance with section 6.16 of the *Local Government Act 1995*, the Fees and Charges contained within **attachment 1**.
2. ADOPTS the conversion of the Shire’s current short-term loan facility for Abernethy Road and Briggs Park Upgrade in the amount of \$2,715,000 to a 5 year fixed term facility.
3. ADOPTS the borrowing of new loan funds of \$1,819,500 to fund the Civic Centre project, subject to further resolutions of Council.
4. ADOPTS the borrowing of new loan funds of \$3,000,000 to fund the acquisition of land for the future Operations Depot, subject to development of major land transaction business case being presented to Council.
5. Pursuant to section 6.11 of the *Local Government Act 1995*, establish the following new Reserve:

Name of Reserve	Reserve Purpose
Public Open Space Reserve	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.

6. Pursuant to section 6.11 *Local Government Act 1995*, change the purpose of the following Reserve:

Name of Reserve	Proposed New Purpose	Reason for Changing the Purpose
Community Grants Reserve	To provide funds and project management support for delivery of community infrastructure to enable individuals and community	To facilitate project support from Shire staff in managing and implementing projects funded through the



	groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.	Community Infrastructure funding program.
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7. IMPOSES, in accordance with section 6.33 of the *Local Government Act 1995*, the following differential general and minimum rates on Gross Rental and Unimproved Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget.

7.1 Differential Rates

<b>Rate Category</b>	<b>Rate in Dollar (Expressed as cents in \$)</b>
GRV Residential	0.103321
GRV Commercial / Industrial	0.117763
GRV Vacant	0.189295
UV General	0.004135
UV – Rural Residential	0.004342
UV – Commercial / Industrial	0.006203
UV Intensive Farmland	0.008270

7.2 Minimum Rates

<b>Rate Category</b>	<b>Minimum Payment</b>
GRV Residential	\$1,276
GRV Commercial / Industrial	\$1,434
GRV Vacant	\$972
UV General	\$1,383
UV – Rural Residential	\$1,750



UV – Commercial / Industrial	\$1,750
UV Intensive Farmland	\$1,750

8. ADOPTS, in accordance with section 6.45 of the *Local Government Act 1995*, the following options for payment of rates or service charges.

8.1 Instalment Arrangements

NOMINATE the following due dates for the payment of rates in full and by instalments:

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Single full payment	13/09/2021	0	0.0%	0.0%
<b>Option two</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
<b>Option three</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
Third instalment	17/01/2022	0	2.0%	7.0%
Fourth instalment	21/03/2022	0	2.0%	7.0%

8.2 Incentives for Early Payment of Rates

OFFERS, two \$1,000 incentive prizes to ratepayers who have paid their rates in full prior to 13 September 2020.

That all Elected Members and staff of the Shire of Serpentine Jarrahdale be ineligible to be chosen as a winner of the early rate payment incentive prizes.

9. ADOPTS, in accordance with section 6.47 of the *Local Government Act 1995*, the following Discounts and Concessions:





- Concession of 31% to eligible Farmland and Conservation properties within the UV Rural differential rate category, pursuant to Council Policy 3.2.7 – Farmland Concession;
  - Concession of 50% to Conservation properties.
10. ADOPTS, in accordance with section 6.2 of the *Local Government Act 1995*, the Municipal Fund Budget as contained in **attachment 1**, Statutory Statements and Notes (including supplementary information) for the year ending 30 June 2022.
11. That Council, in accordance with regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996*, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2021/22 for reporting material variances shall be:
- a) 10% of the amended budget; or
  - b) \$10,000 of the amended budget.

Whichever is greater.

In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.

#### Option 2

That Council:

1. ADOPTS, in accordance with section 6.16 of the *Local Government Act 1995*, the Fees and Charges contained within **attachment 1**.
2. ADOPTS the conversion of the Shire's current short-term loan facility for Abernethy Road and Briggs Park Upgrade in the amount of \$2,715,000 to a 5 year fixed term facility.
3. ADOPTS the borrowing of new loan funds of \$1,819,500 to fund the Civic Centre project, subject to further resolutions of Council.
4. ADOPTS the borrowing of new loan funds of \$3,000,000 to fund the acquisition of land for the future Operations Depot, subject to development of major land transaction business case being presented to Council.
5. Pursuant to section 6.11 of the *Local Government Act 1995*, establish the following new Reserve:

Name of Reserve	Reserve Purpose
Public Open Space Reserve	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.



6. Pursuant to section 6.11 *Local Government Act 1995*, change the purpose of the following Reserve:

<b>Name of Reserve</b>	<b>Proposed New Purpose</b>	<b>Reason for Changing the Purpose</b>
Community Grants Reserve	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.	To facilitate project support from Shire staff in managing and implementing projects funded through the Community Infrastructure funding program.

7. IMPOSES in accordance with section 6.33 of the *Local Government Act 1995*, the following differential general and minimum rates on Gross Rental and Unimproved Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget:

7.1 Differential Rates

<b>Rate Category</b>	<b>Rate in Dollar (Expressed as cents in \$)</b>
GRV Residential	0.104396
GRV Commercial / Industrial	0.117763
GRV Vacant	0.189295
UV General	0.004160
UV – Rural Residential	0.004160
UV – Commercial / Industrial	0.004160
UV Intensive Farmland	0.008187



## 7.2 Minimum Rates

Rate Category	Minimum Payment
GRV Residential	\$1,276
GRV Commercial / Industrial	\$1,434
GRV Vacant	\$972
UV General	\$1,383
UV – Rural Residential	\$1,383
UV – Commercial / Industrial	\$1,383
UV Intensive Farmland	\$1,383

8. ADOPTS, in accordance with section 6.45 of the *Local Government Act 1995*, the following options for payment of rates or service charges.

### 8.1 Instalment Arrangements

NOMINATES the following due dates for the payment of rates in full and by instalments:

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Single full payment	13/09/2021	0	0.0%	0.0%
<b>Option two</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
<b>Option three</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
Third instalment	17/01/2022	0	2.0%	7.0%
Fourth instalment	21/03/2022	0	2.0%	7.0%

### 8.2 Incentives for Early Payment of Rates

OFFERS, two \$1,000 incentive prizes to ratepayers who have paid their rates in full prior to 13 September 2020.



That all Elected Members and staff of the Shire of Serpentine Jarrahdale be ineligible to be chosen as a winner of the early rate payment incentive prizes.

9. ADOPTS, in accordance with section 6.47 of the *Local Government Act 1995*, the following Discounts and Concessions:
- Concession of 31% to eligible Farmland and Conservation properties within the UV Rural differential rate category, pursuant to Council Policy 3.2.7 – Farmland Concession;
  - Concession of 50% to Conservation properties.
10. RESOLVES “\_” as the reason for the change to the differential rates.
11. ADOPTS, in accordance with section 6.2 of the *Local Government Act 1995*, the Municipal Fund Budget as contained in **attachment 1**, Statutory Statements and Notes (including supplementary information) for the year ending 30 June 2022 incorporating amendments as per the following table:

Description	Expenditure Type	Savings
Jarrahdale Trails Town Project (Employee Costs - \$84,698 and Consultancy - \$65,302)	Operating	150,000
Waste Education Officer	Operating	26,724
Street lighting – Remove Installation of 4 x Street Lights	Capital	55,000
Mobile Van and Library Officer – Mobile Van Service (Employee Costs - \$35,000 and Vehicle Operating Costs - \$10,000)	Operating	45,000
Bushfire Mitigation – Removal of Casual Firebreak Inspectors - \$45,000 and Reduction in Bushfire Mitigation Budget - \$45,000.	Operating	90,000
Transfer from reserve – Footpath Renewals to be funded from Footpath Asset management Reserve	Transfer from Reserve	50,000
<b>Total</b>		<b>416,724</b>

12. That Council, in accordance with regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996*, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2021/22 for reporting material variances shall be:
- a) 10% of the amended budget; or
  - b) \$10,000 of the amended budget.
- Whichever is greater.



In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.

Option 3

That Council:

1. ADOPTS, in accordance with section 6.16 of the *Local Government Act 1995*, the Fees and Charges contained within **attachment 1**.
2. ADOPTS the conversion of the Shire’s current short-term loan facility for Abernethy Road and Briggs Park Upgrade in the amount of \$2,715,000 to a 5 year fixed term facility.
3. ADOPTS the borrowing of new loan funds of \$1,819,500 to fund the Civic Centre project, subject to further resolutions of Council.
4. ADOPTS the borrowing of new loan funds of \$3,000,000 to fund the acquisition of land for the future Operations Depot, subject to development of major land transaction business case being presented to Council.
5. Pursuant to section 6.11 of the *Local Government Act 1995*, establish the following new Reserve:

Name of Reserve	Reserve Purpose
Public Open Space Reserve	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.

6. Pursuant to section 6.11 *Local Government Act 1995*, change the purpose of the following Reserve:

Name of Reserve	Proposed New Purpose	Reason for Changing the Purpose
Community Grants Reserve	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.	To facilitate project support from Shire staff in managing and implementing projects funded through the Community Infrastructure funding program.

7. IMPOSES in accordance with section 6.33 of the *Local Government Act 1995*, the following differential general and minimum rates on Gross Rental and Unimproved



Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget:

7.1 Differential Rates

<b>Rate Category</b>	<b>Rate in Dollar (Expressed as cents in \$)</b>
GRV Residential	0.106243
GRV Commercial / Industrial	0.119847
GRV Vacant	0.192646
UV General	0.004208
UV – Rural Residential	0.004208
UV – Commercial / Industrial	0.004208
UV Intensive Farmland	0.008366

7.2 Minimum Rates

<b>Rate Category</b>	<b>Minimum Payment</b>
GRV Residential	\$1,276
GRV Commercial / Industrial	\$1,434
GRV Vacant	\$972
UV General	\$1,383
UV – Rural Residential	\$1,383
UV – Commercial / Industrial	\$1,383
UV Intensive Farmland	\$1,383

8. ADOPTS, in accordance with section 6.45 of the *Local Government Act 1995*, the following options for payment of rates or service charges.



## 8.1 Instalment Arrangements

NOMINATE the following due dates for the payment of rates in full and by instalments:

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Single full payment	13/09/2021	0	0.0%	0.0%
<b>Option two</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
<b>Option three</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
Third instalment	17/01/2022	0	2.0%	7.0%
Fourth instalment	21/03/2022	0	2.0%	7.0%

## 8.2 Incentives for Early Payment of Rates

OFFERS, two \$1,000 incentive prizes to ratepayers who have paid their rates in full prior to 13 September 2020.

That all Elected Members and staff of the Shire of Serpentine Jarrahdale be ineligible to be chosen as a winner of the early rate payment incentive prizes.

9. ADOPTS, in accordance with section 6.47 of the Local Government Act 1995, the following Discounts and Concessions:

- Concession of 31% to eligible Farmland and Conservation properties within the UV Rural differential rate category, pursuant to Council Policy 3.2.7 – Farmland Concession;
- Concession of 50% to Conservation properties.

10. RESOLVES “\_” as the reason for the change to the differential rates.



11. ADOPTS, in accordance with section 6.2 of the *Local Government Act 1995*, the Municipal Fund Budget as contained in **attachment 1**, Statutory Statements and Notes (including supplementary information) for the year ending 30 June 2022.
12. That Council, in accordance with regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996*, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2021/22 for reporting material variances shall be:
  - a) 10% of the amended budget; or
  - b) \$10,000 of the amended budget.

Whichever is greater.

In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.

Option 1 is recommended.

### Conclusion

The 2021/2022 Budget has a strong focus on capacity building as the Shire embarks on a significantly scaled up capital program and look to undertake a substantial amount of planning and design of significant infrastructure projects including the \$18 million road upgrades to Kargotich, Soldiers and Orton Roads and the Keirnan Park Development.

The Shire's also continuing to work towards creating rating equity, through the establishment of a Rating Strategy which outlines the Shire's plan in this regard.

### Attachments (available under separate cover)

- **6.1.2 - attachment 1** – 2021/22 Statutory Budget and Supplementary Information (E21/8206)

### Alignment with our Strategic Community Plan

<b>Outcome</b>	4.1 A resilient, efficient and effective organisation
<b>Strategy</b>	4.1.1 Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.
<b>Outcome</b>	4.2 A strategically focused Council
<b>Strategy</b>	4.2.2 Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions

### Financial Implications

The financial implications are detailed within this report. The 2021/2022 Budget is considered to deliver a sustainable economic outcome for Council and the community.





## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with Council adopting the annual budget.						
2	If Council adopts the Annual Budget incorporating no rate yield increase there will be a reduction in service delivery which could impact community health and wellbeing including economic and social outcomes.	Current Service Delivery.	Social / Community Outcomes	Likely	Moderate	SIGNIFICANT	Nil
2	If Council adopts the Annual Budget incorporating a no rate yield increase there could be a reputational risk as a result of adopting differential rates which are different to those endorsed and advertised.	Nil	Reputation	Likely	Moderate	SIGNIFICANT	Nil.



Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
3	If Council adopts a uniform general rate increase there could be a financial impact on sections of the community who will be negatively impacted by the adoption of a uniform rate rise.	Financial Hardship Policy	Social / Community Outcomes	Almost Certain	Moderate	HIGH	Nil
3	If Council adopts a uniform general rate increase there could be a reputational risk as a result of adopting differential rates which are different to those endorsed and advertised.	Nil	Reputation	Likely	Moderate	SIGNIFICANT	Nil



**Voting Requirements:** Absolute Majority (section 6.2(1) and 6.16(1) of the *Local Government Act 1995*)

**Officer Recommendation**

**That Council:**

1. **ADOPTS**, in accordance with section 6.16 of the *Local Government Act 1995*, the Fees and Charges contained within attachment 1.
2. **ADOPTS** the conversion of the Shire’s current short-term loan facility for Abernethy Road and Briggs Park Upgrade in the amount of \$2,715,000 to a 5 year fixed term facility.
3. **ADOPTS** the borrowing of new loan funds of \$1,819,500 to fund the Civic Centre project, subject to further resolutions of Council.
4. **ADOPTS** the borrowing of new loan funds of \$3,000,000 to fund the acquisition of land for the future Operations Depot, subject to development of major land transaction business case being presented to Council.
5. Pursuant to section 6.11 of the *Local Government Act 1995*, establish the following new Reserve:

Name of Reserve	Reserve Purpose
Public Open Space Reserve	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.

6. Pursuant to section 6.11 *Local Government Act 1995*, change the purpose of the following Reserve:

Name of Reserve	Proposed New Purpose	Reason for Changing the Purpose
Community Grants Reserve	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.	To facilitate project support from Shire staff in managing and implementing projects funded through the Community Infrastructure funding program.

7. **IMPOSES**, in accordance with section 6.33 of the *Local Government Act 1995*, the following differential general and minimum rates on Gross Rental and



**Unimproved Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget.**

**7.1 Differential Rates**

<b>Rate Category</b>	<b>Rate in Dollar (Expressed as cents in \$)</b>
<b>GRV Residential</b>	<b>0.103321</b>
<b>GRV Commercial / Industrial</b>	<b>0.117763</b>
<b>GRV Vacant</b>	<b>0.189295</b>
<b>UV General</b>	<b>0.004135</b>
<b>UV – Rural Residential</b>	<b>0.004342</b>
<b>UV – Commercial / Industrial</b>	<b>0.006203</b>
<b>UV Intensive Farmland</b>	<b>0.008270</b>

**7.2 Minimum Rates**

<b>Rate Category</b>	<b>Minimum Payment</b>
<b>GRV Residential</b>	<b>\$1,276</b>
<b>GRV Commercial / Industrial</b>	<b>\$1,434</b>
<b>GRV Vacant</b>	<b>\$972</b>
<b>UV General</b>	<b>\$1,383</b>
<b>UV – Rural Residential</b>	<b>\$1,750</b>
<b>UV – Commercial / Industrial</b>	<b>\$1,750</b>
<b>UV Intensive Farmland</b>	<b>\$1,750</b>

8. **ADOPTS**, in accordance with section 6.45 of the *Local Government Act 1995*, the following options for payment of rates or service charges.



## 8.1 Instalment Arrangements

**NOMINATE** the following due dates for the payment of rates in full and by instalments:

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Single full payment	13/09/2021	0	0.0%	0.0%
Option two				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
Option three				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	0	2.0%	7.0%
Third instalment	17/01/2022	0	2.0%	7.0%
Fourth instalment	21/03/2022	0	2.0%	7.0%

## 8.2 Incentives for Early Payment of Rates

**OFFERS**, two \$1,000 incentive prizes to ratepayers who have paid their rates in full prior to 13 September 2020.

That all Elected Members and staff of the Shire of Serpentine Jarrahdale be ineligible to be chosen as a winner of the early rate payment incentive prizes.

**9. ADOPTS**, in accordance with section 6.47 of the *Local Government Act 1995*, the following Discounts and Concessions:

- Concession of 31% to eligible Farmland and Conservation properties within the UV Rural differential rate category, pursuant to Council Policy 3.2.7 – Farmland Concession;
- Concession of 50% to Conservation properties.



- 
10. **ADOPTS**, in accordance with section 6.2 of the *Local Government Act 1995*, the **Municipal Fund Budget** as contained in attachment 1, **Statutory Statements and Notes** (including supplementary information) for the year ending 30 June 2022.
  11. That Council, in accordance with regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996*, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2021/22 for reporting material variances shall be:
    - a) 10% of the amended budget; or
    - b) \$10,000 of the amended budget.

**Whichever is greater.**

**In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.**



### 6.1.3 – Long Term Financial Plan 2021-31 and Corporate Business Plan 2021-25 (SJ940-3)

<b>Responsible Officer:</b>	Director Corporate Services
<b>Senior Officer:</b>	Chief Executive Officer
<b>Disclosure of Officers Interest:</b>	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

#### Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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#### Report Purpose

The purpose of this report is to enable Council to consider adopting the:

- Long Term Financial Plan 2021-31; and
- Corporate Business Plan 2021-25

to meet its obligations under the annual integrated planning and reporting processes.

#### Relevant Previous Decisions of Council

*Ordinary Council Meeting – 17 May 2021- OCM123/05/21 - COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

1. *NOTES the performance report against the 2020-24 Corporate Business Plan for the period 1 January to 31 March 2021 as contained in this report and attachment 1.*
2. *NOTES that any amendments required to projects within the Corporate Business Plan will be considered by Council through the annual budget development and corporate business plan review process or a budget amendment as relevant.*

*Ordinary Council Meeting – 15 February 2021- OCM036/02/21 - COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

1. *RECEIVES the results of the Community Perceptions Survey 2020 - MARKYT Community Scorecard Report as contained in attachment 1; and*
2. *NOTES and CONSIDERS addressing the priorities identified as part of the following:*
  - a. *annual budget processes;*
  - b. *review of the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan; and*
  - c. *advocacy with State and Federal Governments.*



*Ordinary Council Meeting – 21 December 2020 - OCM399/12/20- COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

- 1. NOTES the Shire of Serpentine Jarrahdale's Integrated Planning and Reporting Timetable as contained within attachment 1; and*
- 2. REQUESTS the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries to request an extension of time to commence the full review of the Strategic Community Plan, commencing after the Local Government elections to be held in October 2021.*

## **Background**

The Shire has an obligation to plan for the future of the district under the Integrated Planning and Reporting (IPR) Framework. The processes are annual, biennial (minor strategic review) and quadrennial (major strategic review). Information in this report addresses the annual IPR process.

The Department of Local Government and Communities IPR guidelines state that the annual process should include the:

- Development of an annual budget based on the delivery program of the Corporate Business Plan for the relevant year;
- Update and review of the Corporate Business Plan; and
- Addition of a year to the Long Term Financial Plan.

At the December 2020 Ordinary Council Meeting, Council noted the Shire's IPR Timetable. This timetable outlined the key steps involved in the Shire's annual IPR process to develop the Annual Budget, review the Corporate Business Plan and update the Long Term Financial Plan. The key steps included submission and review of business cases, workshops with Executive and Council and establishing due dates to ensure regulatory compliance. In April 2021, Councillors were provided with an updated timetable that considered the impacts of the WA State Election.

Aside from the business as usual and regulatory requirements of this process, this year's process also included:

- Identification and consideration of actions to mitigate strategic risk;
- Identification and consideration of actions to address the 2020 community perceptions survey;
- An analysis of performance data (i.e. CBP quarterly progress reporting) to assess where improvement is required and/or what projects require amendment;
- Consideration of amendments to resource capability as a result of the Rating Strategy adopted by Council in June 2021;
- Consideration of amendments to resource capability in line with the Organisational Development RoadMap; and
- the use of the Enterprise Budgeting module within OneComm to produce the budget and associated reports.





This process is now complete, and the Long Term Financial Plan and Corporate Business Plan is provided for Council consideration as detailed in this report.

### **Community / Stakeholder Consultation**

#### Policy Concept Forum - Budget Workshop – Rates, Fees and Charges, LTFP

<b>Meeting Date</b>	3 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr McConkey, Cr Strange, Cr Strautins

#### Policy Concept Forum - Budget Workshop- Capital and Corporate Business Plan

<b>Meeting Date</b>	24 May 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr Strange

#### Distribution of Budget Documents

Documentation was sent to Councillors prior to each workshop held as detailed above. A complete set of budget documents was then sent to all Councillors on 8 July 2021, requesting feedback by 16 July 2021. The documentation included the following and was distributed in hard and soft copy:

- 2021/22 Statutory Budget Documents
- 2021/22 Capital and Non Recurrent
- 2021/22 Carryforwards
- 2021/22 Operating Budgets by Nature and Type (this excludes depreciation)
- 2021/22 Fees and Charges
- 2021/22 Long Term Financial Plan – with changes highlighted
- Items for Consideration – Council and Committee Meetings
- Budget Adjustments – Post Councillor Workshop #3
- Corporate Business Plan

Officers received no requests for changes by 16 July 2021.

### **Statutory Environment**

#### Local Government Act 1995 and Local Government (Administration) Regulations 1996

Local governments have a statutory obligation under s 5.56(1) of the *Local Government Act 1995* ('the Act') to plan for the future of their district under the Integrated Planning and Reporting (IPR) Framework. Regulations have been made under s 5.56(2) of the Act that provide minimum requirements for IPR.

The *Local Government (Administration) Regulations 1996* ('the Regulations') require a local government to ensure that a Corporate Business Plan is made for its district (reg 19DA) and that the Corporate Business Plan is reviewed every year (reg 19DA(4)). A full extract of Regulation 19DA is provided below.



**19DA Corporate business plans, requirements for (Act s. 5.56)**

- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) *A corporate business plan for a district is to —*
  - (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government’s priorities for dealing with the objectives and aspirations of the community in the district; and*
  - (b) *govern a local government’s internal business planning by expressing a local government’s priorities by reference to operations that are within the capacity of the local government’s resources; and*
  - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*
- (4) *A local government is to review the current corporate business plan for its district every year.*
- (5) *A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government’s strategic community plan.*
- (6) *A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications.*

*\*Absolute majority required.*
- (7) *If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

The Shire must also include in its Annual Report information on any significant modifications made to its Corporate Business Plan in that financial year (reg 19CA(3)).

**Comment**

Long Term Financial Plan 2021-31

A Long Term Financial Plan (LTFP) is a ten year rolling plan that incorporates the proposed budget and four-year financial requirements to deliver the Corporate Business Plan. It is a key tool for ensuring the financial sustainability of the Shire. The Long Term Financial Plan 2021-31 provided for Council’s consideration, reflects the requirements of the Corporate Business Plan 2021-25 and ensures it is achievable within the Shire’s financial resources.

The Long Term Financial Plan 2021-31 is set within the following parameters:

- 1.69% increase in rate burden for the first year (2021-22) and an increase in rates for each year thereafter, in line with increased costs, currently assumed to be approximately 2%. The latest Economic Briefing from WALGA forecasts the Local



Government Cost Index (“**LGCI**”) to be 3.3% to June 2021, with forecasts of 3.2% in 2021-22 and 2.8% in 2022-23.

- The LTFP includes proposed increase in rates income from the Shire’s Rating Equity Project, which results in an additional 1.73% increase in addition to the 2% in the 2022-23 Financial Year, and an additional 1.63% in addition to the 2% in the 2023-24 Financial Year.
- Interim rates growth of 4% in 2021-22 and 1.9% in 2022-23.
- Operating costs funded from untied revenue in 2021-22 to be \$21.7M, a 1.7% increase on last year’s adopted budget position, well inside the forecast LGCI above, and \$427,460 under the forecast amount in last year’s adopted LTFP.
- The proportion of untied funds is expected to decline from 83% to 80% over the life of the LTFP. This means effectively that the Shire is spending proportionately less money on administration and more money on Asset Delivery and infrastructure on the ground.
- The operating savings consequential to the above point will be expended on asset renewal and upgrades lifting the asset renewal spend to be in line with asset management requirements.

Officers believe this document responds to the 2018 and 2020 community perceptions surveys which identified the community’s preference that the Shire focus on providing for roads, value for money, footpaths and trails development.

#### Corporate Business Plan 2021-25

The Corporate Business Plan 2021-25 presented for Council’s consideration represents the second year the Shire has presented a CBP that is fully costed and aligned to the Shire’s Long Term Financial Plan and integrated with all components of the State Government’s Integrated Planning and Reporting Framework. The Delivery Program of the Plan is divided into the following five areas:

1. Advocacy Projects - the projects that the Shire will focus its advocacy efforts towards over the next four years.
2. Major Capital Projects - capital projects to be delivered over the next four years that are considered ‘Major’. A Capital Project is considered ‘Major’ if:
  - it is a new construction;
  - it is a significant expansion, renovation or replacement project (i.e. upgrade) of existing infrastructure;
  - it is a renewal project with a value over \$50,000; or
  - the project increases the level of service provided to the community, is important to the community or significantly reduces environmental and legal risk.
3. Capital Works Program - planned capital expenditure on our assets over the next four years, excluding Major Capital Projects.
4. Strategic Operational Projects - projects funded from the operating budget considered ‘Strategic’ in nature because they demonstrate a strong link to the objectives, outcomes and strategies of the Strategic Community Plan.



5. Service Plan Summary - A summary of the Shire's day-to-day service levels and activities over the next four years that sit outside of the other abovementioned projects.

A large component of this year's review was to incorporate the delivery of State Government Election commitments that the Shire successfully obtained through its advocacy efforts. A summary of the State Government Election commitments and their proposed delivery program as per the 2021-25 CBP is outlined below.

<b>State Government Election Commitment</b>	<b>CBP Delivery Program</b>
Serpentine Sports Reserve - fencing	Delivery scheduled for 2021-22 and project included in the Capital Works Program under Parks and Gardens Renewals.
Serpentine Jarrahdale Community Recreation Centre - upgrades	Delivery scheduled for 2021-22 and project included as a Major Capital Project.
Byford Bushrangers - dugouts	Delivery scheduled for 2021-22 and project included in the Capital Works Program under Minor Facility Renewals.
Old Hopeland School Hall - upgrades	Delivery scheduled for 2021-22 and project included in the Capital Works Program under Minor Facility Renewals.
Old Serpentine Bridge School - disability access	Delivery scheduled for 2021-22 and project included in the Capital Works Program under Minor Facility Renewals.
Kitty's George Walk Trail, Jarrahdale - all access toilet	Delivery scheduled for 2022-23 and project included in the Capital Works Program under Public Amenity.
Byford Skatepark	Delivery scheduled for 2022-23 and project included as a Major Capital Project.
Nature Play Splash Park	Included as a 3-year Major Capital Project commencing 2022-23 and ending 2024-25.
Upgrade of Local Shire Roads (Kargotich, Soldiers and Orton Roads)	Included as Major Capital Projects with delivery scheduled over the 2021-22 to 2023-24 financial years.
Byford Health hub	Included as a Strategic Operating Project as its likely the State Government will construct the building.

In addition to the above, the planning and delivery of Council's key strategic projects for the life of the CBP will continue, which includes:



- Implementation of the Shire’s Enterprise Resource Planning system including Project Lifecycle Management, Contract Management, Property and Rating, Enterprise Content Management, Regulatory compliance and e-services.
- Keirnan Park Recreation and Sporting Precinct – construction of Stage 1A which includes AFL/Cricket Ovals, Pavilion and supporting infrastructure.
- Trails Development - Finalisation of the draft Jarrahdale Trails Town Business Case and Implementation Plan to assist the planning of trails and trail-related products for the Shire to achieve Trail Town accreditation for Jarrahdale, aligned with Trails WA Criteria.
- Shire’s Library Relocation and Civic Centre Upgrade- The Shire’s library services will be relocated to Byford Hall and concept planning will commence for a Link Building, the old Mundijong Library to accommodate Council Chambers and refurbishment of the existing Administration Building.
- Collaboration and partnership with Main Roads WA and Metronet to deliver the Tonkin Highway extension and the Metronet Byford Rail Extension.

Proposed initiatives for delivery over the 2021-25 period are summarised by their respective Strategic Objectives below.

<p><i>PEOPLE – A connected, thriving, active and safe community</i></p> <p>Advocating for and shaping the design of state government infrastructure to benefit our local community of which some include:</p> <ul style="list-style-type: none"> <li>• METRONET</li> <li>• Tonkin Highway</li> <li>• Thomas Road Dual Carriage</li> <li>• Byford Tafe</li> <li>• Oakford Bush Fire Brigade Station</li> <li>• Byford Health Hub</li> </ul> <p>Strengthening the connections, health and wellbeing of our growing community by:</p> <ul style="list-style-type: none"> <li>• the development of a Reconciliation Action Plan</li> <li>• supporting volunteering within the community</li> <li>• Implementation of a new program of events and activities</li> </ul>	<p><i>PROSPERITY – An innovative, commercially diverse and prosperous economy</i></p> <p>Responding to growth by:</p> <ul style="list-style-type: none"> <li>• commencing the development of the Keirnan Park Recreation Precinct</li> <li>• master planning for the Byford Community Purpose Site</li> <li>• fit for purpose road upgrades and rehabilitations to suit changing needs</li> <li>• enhancing the Developer Contribution Framework to create shared and equitable partnerships towards infrastructure delivery</li> </ul> <p>Growing the economy by:</p> <ul style="list-style-type: none"> <li>• tourism development in the Shire</li> <li>• supporting the development of our equine community and industry</li> <li>• promoting the delivery of the West Mundijong Industrial Area and Cardup Business Park</li> <li>• Trails development and implementation including Jarrahdale Trails Town, Byford Trail Centre, Bibbulmun track loop and the Serpentine Heritage Precinct</li> </ul>
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<p><i>PLACE – A protected and enhanced natural, rural and built environment</i></p> <p>Establish SJ as leaders in the waste management area by providing best value for money and sustainable waste manage in the shire:</p> <ul style="list-style-type: none"><li>• operation of the Waste Transfer Station and opening of the Tip Shop in Mundijong</li><li>• implementation of FOGO</li></ul> <p>Implementation of the new Local Planning Strategy and Scheme, which sets the vision for our collective future and charts the course to how this vision will be achieved. Through a renewed set of zones, reserves, land use permissibility and development standards, the new planning framework sets the next exciting phase of the Shire’s growth.</p>	<p><i>PROGRESSIVE – A resilient organisation demonstrating unified leadership and governance</i></p> <p>Planning for the future through continuing to modernise and develop the organisation to become more efficient, responsive and sustainable:</p> <ul style="list-style-type: none"><li>• continuation of the Shire’s Enterprise Resource Planning system</li><li>• improving community engagement</li><li>• upgrade and long term planning for the Shire’s Administration Building and Operations Centre</li><li>• implementation of a Project and Contract Management Framework</li><li>• implementation of strategic organisational development initiatives</li><li>• implementation of participatory budgeting</li></ul>
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The full details of these initiatives, including their associated cost, timing and dependencies are detailed within the Delivery Program section of the plan. The Delivery Program also outlines all other projects and activities occurring within the 2021-25 period.

### Options and Implications

#### Option 1

That Council:

1. ADOPTS the Long Term Financial Plan 2021-31 at **attachment 1**; and
2. ADOPTS the Corporate Business Plan 2021-25 at **attachment 2**.

#### Option 2

That Council:

1. ADOPTS the Long Term Financial Plan 2021-31 at **attachment 1** with the following amendments:
  - Reduction in Community operating expenditure of \$195,000, being \$150,000 for Jarrahdale Trails Town Project (Employee and Consultancy Costs), \$35,000 of Employee Costs related to the Mobile Library Van, and \$10,000 in Vehicle Operating Costs.
  - Reduction in Development Services operating expenditure of \$90,000, being \$45,000 related to casual Firebreak Inspectors and \$45,000 related to Bushfire Mitigation.
  - Reduction of the following Capital Projects:
    - Street Lighting – Reduce spend from \$80,000 to \$25,000





- Funding of Footpath Renewals to come from Footpath Asset Management Reserve - \$50,000.
2. ADOPTS the Corporate Business Plan 2021-25 at **attachment 2** with the following amendments:
- Removal of the following Strategic Operating Projects:
    - Masterplan of Trails Centre at Lot 814 Jarrahdale Road, Jarrahdale
    - Heritage Park Business Case
    - Jarrahdale Oval Master Plan
    - Mobile Library Service
  - Reduction of funds in the Capital Works Program as follows:
    - ‘Street Lighting – New’ from \$80,000 to \$25,000
    - ‘Plant and Fleet New’ from \$159,000 to \$99,000
  - Removal of the “Mobile Van Service (commencing Jan 2022)” from Library Services
  - Removal of the “Trails Development” paragraph from the CEO’s Message
  - Removal of the following projects from the 2021-2022 Snapshot:
    - masterplan of a trails centre at Lot 814 Jarrahdale Road
    - Establishment of a mobile library service
  - Replacement of Assumption 1 - Financial Projections in Key Assumptions to:
 

**1. Financial Projections:** our financial projections over the next four years are assumed to be as per our long-term financial planning. A summary of the main projections is provided below.

	2021-22	2022-23	2023-24	2024-25
TOTAL REVENUE	\$47.89m	\$93.39m	\$59.05m	\$44.52m
NET RESERVE MOVEMENTS	\$0.68m	\$0.72m	(\$0.01m)	(\$0.66m)
NET LOAN MOVEMENTS	\$3.54m	\$2.15m	(\$2.3m)	\$1.15m
OPERATING EXPENSES	(\$31.14m)	(\$33.35m)	(\$34.51m)	(\$38.12m)
CAPITAL	(\$21.97m)	(\$62.91m)	(\$22.22m)	(\$6.89m)

**Rates:**

- Proposed rate in the dollar for 2021-22 will not change from the previous year



- For future years, proposed rating will be guided by the Council's Rating Strategy, adopted in July 2021. The reintroduction of the Rural Residential and Rural Commercial Industrial rating categories will allow Council to continue to address Financial Sustainability and Rating Equity.

Option 1 is recommended if Option 1 or 3 of Agenda Item 6.1.2 is resolved by Council.

Option 2 is recommended if Option 2 of Agenda Item 6.1.2 is resolved by Council.

### **Conclusion**

The completion of the annual Integrated Planning and Reporting review provides the Shire with an integrated, structured and specific framework in which to implement and report on tangible outcomes towards the shire's vision and strategic objectives.

### **Attachments (available under separate cover)**

- **6.1.3 - attachment 1** – Long Term Financial Plan 2021-31 (E21/8195)
- **6.1.3 - attachment 2** - Corporate Business Plan 2021-25 (E21/8170)

### **Alignment with our Strategic Community Plan**

<b>Outcome 4.1</b>	A resilient, efficient and effective organisation
<b>Strategy 4.1.1</b>	Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources
<b>Outcome 4.2</b>	A strategically focused Council
<b>Strategy 4.2.2</b>	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions

### **Financial Implications**

The Corporate Business Plan 2021-25, Long Term Financial Plan 2020-30 and 2021-22 Annual Budget are aligned.





## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with Option 1. The risks to be managed in order to deliver the CBP are detailed within the Key Risks area of the CBP.						
2	If Council adopts the CBP and LTFP incorporating a no rate yield increase there will be a reduction in service delivery which could impact community health and wellbeing including economic and social outcomes.	Current Service Delivery.	Social / Community Outcomes	Likely	Moderate	SIGNIFICANT	Nil

**Voting Requirements:** Absolute Majority (Regulation 19DA(6) of the *Local Government (Administration) Regulations 1996*)

### Officer Recommendation

That Council:

1. **ADOPTS** the Long Term Financial Plan 2021-31 at attachment 1; and
2. **ADOPTS** the Corporate Business Plan 2021-25 at attachment 2.



**7. Motions of which notice has been given:**

**8. Urgent business:**

**9. Closure:**